



David T. Doot
Secretary

January 28, 2021

VIA ELECTRONIC MAIL

TO: PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES

RE: Supplemental Notice of February 4, 2021 NEPOOL Participants Committee Teleconference Meeting

Pursuant to Section 6.6 of the Second Restated New England Power Pool Agreement, initial notice is hereby given that the February meeting of the Participants Committee will be held **via teleconference on Thursday, February 4, 2021, at 10:00 a.m.** for the purposes set forth on the attached agenda and posted with the meeting materials at nepool.com/meetings/. The dial-in number, to be used only by those who otherwise attend NEPOOL meetings and their approved guests, is **866-803-2146; Passcode: 7169224**. To join WebEx for this portion of the meeting, click this [link](#) and enter the event password **nepool**.

Agenda Item 8 (threshold jurisdictional & legal issues associated with potential pathways/alternative market frameworks) will begin **at 1:00 p.m.** For planning purposes, those participating in that portion of the meeting should be prepared for Agenda Item 8 to take as much as three to four hours for presentations and questions and answers. Note that the WebEx link for Agenda Item 8 is different than the link you will use for the earlier items on the agenda. To join the **WebEx Event** for Agenda Item 8, please click this [link](#) and enter the event password: **nepool**.

For your information, the February 4 meeting will be recorded. NEPOOL meetings, while not public, are open to all NEPOOL Participants, their authorized representatives and, except as otherwise limited for discussions in executive session, consumer advocates that are not members, federal and state officials and guests whose attendance has been cleared with the Committee Chair. All those in attendance or participating in the meeting are required to identify themselves and their affiliation during the meeting. Official records and minutes of meetings are posted publicly. No statements made in NEPOOL meetings are to be quoted or published publicly.

FOR PARTICIPANTS WHO DO NOT TYPICALLY RECEIVE INVOICES FROM ISO-NE, PLEASE NOTE THAT ISO-NE WILL ISSUE INVOICES FOR 2021 NEPOOL ANNUAL FEES ON FEBRUARY 16, 2021. If you are a NEPOOL Participant on January 1, 2021, you will be assessed an Annual Fee, which must be paid on or before the close of business on February 18, 2021, in order to avoid penalties and interest. Please plan accordingly. If there are questions, please contact Pat Gerity (860-275-0533).

Respectfully yours,

/s/
David T. Doot, Secretary

FINAL AGENDA

1. To approve the draft minutes of the January 7, 2021 Participants Committee meeting. The draft preliminary minutes of that meeting, marked to show changes from the draft circulated with the initial notice, are included with this supplemental notice and posted with the meeting materials.
2. To adopt and approve all actions recommended by the Technical Committees set forth on the Consent Agenda included with the initial notice and this supplemental notice and posted with the meeting materials.
3. To receive an update on activities of the Joint Nominating Committee and information from incumbent Board member Michael Curran. Background materials are included with this supplemental notice and posted with the meeting materials.
4. To receive an ISO Chief Executive Officer report. Summaries of the ISO Board and Board Committee meetings that have occurred since the January 7 Participants Committee meeting are included with this supplemental notice and posted with the meeting materials.
5. To receive an ISO Chief Operating Officer report. The COO report will be circulated and posted in advance of the meeting.
6. To receive a report on current contested matters before the FERC and the Federal Courts. The litigation report will be circulated and posted in advance of the meeting.
7. To receive reports from Committees, Subcommittees and other working groups:
 - Markets Committee
 - Reliability Committee
 - Others
 - Transmission Committee
 - Budget & Finance Subcommittee
8. “Pathways to the Future Grid”: Panel discussion on threshold jurisdictional & legal issues associated with potential pathways/alternative market frameworks. A memo describing the plans for the panel discussion is included with this supplemental notice. Additional information will be provided in advance of the meeting.
9. Administrative matters.
10. To transact such other business as may properly come before the meeting.
 - Please note the memorandum from a NEPOOL member included with this supplemental notice.

PRELIMINARY

Pursuant to notice duly given, a meeting of the NEPOOL Participants Committee was held via teleconference, at 10:00 a.m. on Thursday, January 7, 2021. A quorum determined in accordance with the Second Restated NEPOOL Agreement was present and acting throughout the meeting. Attachment 1 identifies the members, alternates and temporary alternates who participated in the teleconference meeting.

Mr. David Cavanaugh, Chair, presided and Mr. David Doot, Secretary, recorded. Mr. Cavanaugh thanked the Committee for the opportunity to serve as Chair for 2021. He acknowledged and expressed appreciation to Ms. Nancy Chafetz for her leadership as Chair during the previous two years, and thanked the ISO and Day Pitney staff for their support during that time. He reflected on the accomplishments of the stakeholder process over the past year. He expressed his commitment to build on those successes and to nurture collegiality and collaboration in support of the region. Lastly, he offered his thoughts and prayers to all those who have been affected by the pandemic, especially to a former colleague, Fred Plett, who was hospitalized and battling the virus.

APPROVAL OF NOVEMBER 5, 2020 AND DECEMBER 3, 2020 MEETING MINUTES

Mr. Cavanaugh referred the Committee to the preliminary minutes of the November 5 and December 3, 2020 meetings, as circulated and posted in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the November 5 and December 3, 2020 meetings were unanimously approved as circulated, with an abstention by Mr. Michael Kuser's alternate, Mr. Jason York, noted.

CONSENT AGENDA

Mr. Cavanaugh referred the Committee to the Consent Agenda that was circulated and posted in advance of the meeting. Following motion duly made and seconded, the Consent Agenda was unanimously approved as circulated, with an abstention on behalf of Mr. Kuser noted.

ISO CEO REPORT

Mr. Gordon van Welie, ISO Chief Executive Officer (CEO) offered his well-wishes for 2021 and reported that he had been invited to present the following week at a virtual forum being hosted by the Future Power Markets Forum (a project of the Columbia University School of International and Public Affairs Center on Global Energy Policy and the Johns Hopkins University Whiting School of Engineering). He committed to make available to the Committee his presentation, which would address potential pathways and implications for resource adequacy in the wholesale markets' evolution to support New England's Clean Energy Transition.

ISO COO REPORT

Dr. Vamsi Chadalavada, ISO Chief Operating Officer (COO), referred the Committee to his January report, which had been circulated and posted in advance of the meeting. He noted that the data in the report was through December 29 unless otherwise noted. The report highlighted: (i) Energy Market value for December 2020 was \$426 million, up \$181 million from November 2020 and down \$42 million from December 2019; (ii) December 2020 average natural gas prices were 120 percent higher than November average prices; (iii) the average Real-Time Hub Locational Marginal Prices (LMPs) for December (\$42.04/MWh) were 71 percent higher than November averages; (iv) average December 2020 natural gas prices and Real-Time Hub LMPs over the period were down 7.5 percent and 1.7 percent, respectively, from December

2019; (v) the average Day-Ahead cleared physical energy during peak hours as percent of forecasted load was 98.5 percent during December (down from 99.6 percent during November), with the minimum value for the month (93.5 percent) on December 5; and (vi) the Daily Net Commitment Period Compensation (NCPC) payments for December (data through December 28) totaled \$3.4 million, which was up \$1.4 million from November 2020 and down \$1.3 million from December 2019. December NCPC, which was 0.8 percent of total Energy Market value, was comprised of (a) \$1.8 million in first contingency payments (up \$100,000 from November); (b) \$1.6 million in second contingency payments (up \$1.2 million from November); and (c) \$7,000 in distribution payments (down \$1,000 from November).

Turning to operational highlights from December, Dr. Chadalavada reported on the impact of the nor'easter that occurred on December 6 and 7, which resulted in substantial power outages. Temperatures were above average for the month of December, but were colder than normal from December 16 to 21, during which time gas prices reached their highest levels of 2020, with prices of \$7-12/MMBtu. Also, though Christmas Eve through Christmas morning was marked by heavy rain and wind gusts throughout New England, significant power outages were not prevalent as during the early December nor'easter.

He reported that peak load for the month of December was approximately 19,000 MW. He highlighted that, although NCPC costs were a bit higher in December, largely as a result of an outage of line 391 in Maine (which required significant work and commitments of resources), total NCPC for 2020 was \$25.9 million, the lowest absolute amount of NCPC since the implementation of Standard Market Design (SMD) in 2003. He attributed the decrease (down from a high of roughly \$300 million in 2005) to a number of factors, including transmission upgrades, market design changes, and operational fixes. Looking ahead, he noted that line 391

would be out of service until January 15, and again from January 25 to 29, which could result in similar commitment costs and requirements as experienced in December.

Dr. Chadalavada concluded his report by noting that FCA15 would be the first auction to be administered remotely, and would begin February 8. He reported that the Dynamic De-List Bid Threshold (DDBT) for FCA16 was expected to be posted in early March. New transmission projects and revisions to previously certified projects to be part of the FCA16 typology would be discussed at the January 21 Reliability Committee meeting.

In response to questions received in advance of the meeting, Dr. Chadalavada explained (i) that oil and coal units online during December (for approximately 5 to 7 days) had largely self-scheduled their MWs, likely in anticipation of a Pay-for-Performance (PFP) event or higher LMPs, though a small portion had cleared economically due to high LMPs (\$100+/MW) mid-month; (ii) higher LMPs in December were driven by higher natural gas prices, particularly during the December 16-21 period. Natural gas prices were 120% higher than November and LMPs averaged \$60-\$120/MW during that period; and (iii) with respect to periodic congestion on New England's east-west interface, the congestion and resulting price separation was attributable, particularly during periods like December 16-21, to increased in-merit or economic resources in the western part of New England, as well heavy transfers from New York into New England, trying to move from west to east, and bumping up against interface limits internal to New England.

Mr. Cavanaugh emphasized the unprecedented nature of conducting ~~F~~FCA15 remotely. He encouraged participants to be prepared for that process, including by reviewing materials distributed in advance by, and attending to communications from, the ISO.

2021 JOINT NOMINATING COMMITTEE (JNC) PROCESS

Referring to materials circulated in advance of the meeting, Mr. Cavanaugh reviewed efforts by the JNC to improve the process for the identification and selection of candidates for the ISO Board, particularly through enhanced transparency of information and materials. He identified the schedule planned for the JNC recommendations of a slate for 2021 and the directors whose final third terms were coming to end in 2021 and 2022. He encouraged Participants to submit any candidate recommendations to fill Board vacancies to the search firm that had been retained to assist the JNC. He reported that, as part of the JNC initiative to improve input to and from the Participants about the ISO Board selection process, Mike Curran, whose first term ends in 2021 and is standing for re-election, had been invited to join the Participants Committee at its February meeting to provide an overview of his background and engagement and activities on the ISO-NE Board, and for dialogue with Committee members.

Mr. Cavanaugh then invited Mr. Phil Shapiro, ISO Board member and immediate past Chair of the JNC, to comment. Mr. Shapiro reiterated that the JNC was seeking to bring more transparency to the process. He summarized how the continuity as well as the shift in composition of the JNC was impacting and benefitting the process. He walked through various areas of focus in the search for candidates, and hopes for a more evergreen process over the next few years. He described generally the projected schedule for 2021, with hopes for more time at the end of the process for vetting and consideration by the NEPOOL members.

Following these remarks, JNC members expressed appreciation for the thoroughness of the process established to date and for the willingness of the JNC as a whole to consider ways to enhance the consideration by and feedback from the Participants. A Participant JNC member encouraged all members to review the skills/expertise matrix that had been circulated and to raise any process questions or concerns with a JNC member. Members offered for consideration

suggestions on potential further enhancements to the process, including more education on the process itself, as well as enhanced transparency into candidate identification and selection, feedback which Mr. Shapiro committed to share with the full JNC.

LITIGATION REPORT

Mr. Doot referred the Committee to the January 6 Litigation Report that had been circulated and posted in advance of the meeting. He then highlighted the following items:

(1) **2021 NESCOE (ER21-113) and ISO-NE (ER21-106) Budgets** - The 2021 budgets, both voted and supported at the October Participants Committee meeting, were ~~approved~~accepted for filing by the FERC on December 18, 2020.

(2) **RNS/LNS Rates and Rate Protocols Settlement Agreement II (ER20-2054)** - The formula rate settlement agreement, negotiated over a multi-year period, and with Tariff changes supported by NEPOOL, was approved by the FERC on December 28, 2020.

(3) **Mystic 8/9 Cost of Service Agreement (ER18-1639)** - The FERC issued an “Allegheny order” in the Mystic 8/9 proceedings in response to requests for rehearing, modifying its prior orders, with some changes on the details of the related agreement being considered in that proceeding, but the same general outcome.

(4) **NEPGA Net CONE Complaint (EL21-26)** – On December 11, 2020, NEPGA filed a complaint regarding Net CONE; responses were submitted at the end of the year and the Complaint was pending before the FERC.

(5) **New DDBT Methodology (ER21-782)** - The new DDBT methodology, which the Participants Committee voted to support at its November meeting, was filed at the end of the year. While the ISO had sought a vote on a different proposal that it had supported at that time,

the DDBT provisions that were filed by the ISO were those overwhelming approved by NEPOOL.

(6) **Updated CONE, Net Cone and PPR Values (eff. FCA16) (ER21-787)** – Partly in response to the NEPGA complaint, the ISO filed updated CONE, Net Cone and Payment Performance Rate (PPR) values on December 31, 2020, separate from the ORTPs and related provisions that had been considered as part of the same package voted on and approved by NEPOOL at the December meeting. Comments on the values filed ~~are~~were due January 21, 2021. The jump ball filing proposing ORTP values and related provisions ~~is~~was expected to be filed in January.

(7) **Full Commission.** With the swearing in of Commissioner Christie on December 4, the FERC had, for the first time in more than two years, five commissioners seated; a full Commission was expected to be in place until the end of June 2021, when Commissioner Chatterjee's term ends.

(8) **FCA15 ICR-Related Values and HQICCs (ER21-371)** – Mr. Patrick Gerity reported that, earlier in the morning, the FERC had issued an order accepting the FCA15 Installed Capacity Requirement (ICR)-Related and Hydro Quebec Interconnection Capability Credits (HQICC) values.

COMMITTEE REPORTS

Markets Committee (MC). Mr. William Fowler, the MC Vice-Chair, reported that the next MC meeting was scheduled as a one-day, rather than a two-day meeting, to be held on January 12. At that meeting, the ISO planned to present changes to eliminate the 7-year price lock and associated zero-price offer rule for new entrants starting in FCA16 as directed by the FERC. A special MC meeting was scheduled for January 19 to consider and vote on those

changes. Mr. Doot noted that, with the compliance filing due February 1, and no plans to request additional time to submit the required compliance filing, Participants Committee consideration of the changes would take place after the compliance filing, but sufficiently in advance of the end of the comment period on that filing to ensure the FERC is advised of NEPOOL's final position early in its consideration of the compliance filing.

Reliability Committee (RC). Mr. Robert Stein, the RC Vice-Chair, reported that the RC was next scheduled to meet on January 20, with a first discussion about potential transmission changes for FCA16.

Joint MC/RC (Future Grid - Reliability Study). Mr. Stein also reported that the next joint meeting of the MC and RC would take place on January 19, immediately following the MC's special meeting. The focus of the joint meeting would be on the ISO's role in the work to complete the initial future grid study being worked in ~~in~~ that stakeholder process, along with the process for refining assumptions and frameworks to be included in the study.

Transmission Committee (TC). Mr. José Rotger, the TC Vice-Chair, reported that the TC would next meet on January 26. The agenda would include a discussion on the Participating Transmission Owners' (PTOs) proposal to address reconstitution of Behind-the-Meter Generation into the Regional Network Load calculation, an update from the PTOs on the implementation of the new RNS ~~and~~ LNS formula rate settlement, and an update on new support arrangements for the 2,000 MW high-voltage, direct current (HVDC) transmission facilities interconnecting New England and Québec, which were filed at the FERC in December.

Budget & Finance Subcommittee. Mr. Thomas Kaslow, the Subcommittee Chair, announced that the next meeting of the Subcommittee was scheduled for January 28 and would include consideration of clarifications to the Financial Assurance Policy Non-Commercial Capacity trading financial assurance provisions.

PATHWAYS TO THE FUTURE GRID: DR. FRANK FELDER'S REPORT

Mr. Cavanaugh referred the Committee to Dr. Felder's final report which had been circulated and posted in advance of the meeting. He noted that written comments should be submitted to Mr. Sebastian Lombardi (slombardi@daypitney.com), by January 22; comments received would be posted on the NEPOOL website along with the report. He noted that the pathways discussion would continue at the February 4 NPC meeting and would include a discussion of jurisdictional issues associated with the various future grid frameworks identified in Dr. Felder's report. Following those discussions, the next phase of the "pathways" process would commence (i.e., scoping and defining the ISO's proposed deeper analysis of some of the frameworks). Mr. Cavanaugh explained that he intended these upcoming discussions to dive deeper into details and to be more of an active working session of the NPC, with meetings held potentially at different times than the regularly-scheduled monthly Participants Committee meetings. Ms. Allison DiGrande noted the ISO would begin its interaction and discussions with stakeholders on the evaluation it planned to undertake in February. At that time, the ISO planned to discuss how it would frame the ongoing discussion, to provide a high level schedule, and potentially to begin discussion on design elements for its study on select frameworks.

A member suggested the need to better define "balancing resource", and the need to identify a process for quantifying requirements for balancing resources. Members suggested the ISO consider the retention of additional resources to assist with this next phase of the process. Dr. Chadalavada noted that the ISO was reviewing its 2021 workload and would address the timeline and structure of the analysis at the February meeting.

Mr. Cavanaugh, referring to the recently released report by the New England State Committee on Electricity (NESCOE) entitled the New England Energy Vision. He reported that, on behalf of NEPOOL, he was scheduled to present an overview of NEPOOL and its future

grid/pathways initiatives as part of that process' first technical forum on wholesale markets design.

ADMINISTRATIVE MATTERS

Mr. Lombardi reminded the Committee that the next Participants Committee meeting was scheduled for February 4, 2020 and would include a discussion on the threshold legal/jurisdictional issues associated with potential pathways to support New England's future grid. _ Additionally, he reminded members that any written comments in response to Dr. Felder's report should be submitted to him by Friday, January 22.

There being no further business, the meeting adjourned at 11:57 a.m.

Respectfully submitted,

David Doot, Secretary

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN JANUARY 7, 2021 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Advanced Energy Economy	Fuels Industry Participant	Caitlin Marquis		
American Petroleum Institute	Fuels Industry Participant	Paul Powers		
American PowerNet Management	Supplier			Joyceline Chow
AR Large Renewable Generation (RG) Group Member	AR-RG	Alex Worsley		
AR Small Load Response (LR) Group Member	AR-LR	Doug Hurley	Brad Swalwell	
AR Small RG Group Member	AR-RG	Erik Abend		
Ashburnham Municipal Light Plant	Publicly Owned Entity		Brian Thomson	
Associated Industries of Massachusetts (AIM)	End User			Roger Borghesani; Joyceline Chow
AVANGRID: CMP/UI	Transmission		Alan Trotta	
Avangrid Renewables	Transmission	Kevin Kilgallen		
Belmont Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Block Island Utility District	Publicly Owned Entity	Dave Cavanaugh		
Borrego Solar Systems Inc.	AR-DG	Liz Delaney		
Boylston Municipal Light Department	Publicly Owned Entity		Brian Thomson	
BP Energy Company	Supplier			José Rotger
Braintree Electric Light Department	Publicly Owned Entity			Dave Cavanaugh
Brookfield Renewable Trading and Marketing	Supplier	Aleks Mitreski		
Calpine Energy Services, LP	Supplier	Brett Kruse		Bill Fowler
Castleton Commodities Merchant Trading	Supplier			Bob Stein
Central Rivers Power	AR-RG		Dan Allegretti	
Chester Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Chicopee Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
CLEAResult Consulting, Inc.	AR-DG	Tamera Oldfield		
Concord Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
Connecticut Municipal Electric Energy Coop.	Publicly Owned Entity	Brian Forshaw		
Connecticut Office of Consumer Counsel	End User		Dave Thompson	
Conservation Law Foundation (CLF)	End User	Phelps Turner		
Consolidated Edison Energy, Inc.	Supplier	Norman Mah		
CPV Towantic, LLC	Generation	Joel Gordon		
Cross-Sound Cable Company (CSC)	Supplier		José Rotger	
Danvers Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Dominion Energy Generation Marketing, Inc.	Generation		Weezie Nuara	
DTE Energy Trading, Inc.	Supplier			José Rotger
Dynergy Marketing and Trade, LLC	Supplier	Andy Weinstein		Bill Fowler
Emera Energy Services	Supplier			Bill Fowler
Enel X North America, Inc.	AR-LR	Michael Macrae		
ENGIE Energy Marketing NA, Inc.	AR-RG	Sarah Bresolin		
Environmental Defense Fund	End User	Jolette Westbrook		
Eversource Energy	Transmission	James Daly	Dave Burnham	Vandan Divatia
Exelon Generation Company	Supplier	Steve Kirk	Bill Fowler	
FirstLight Power Management, LLC	Generation	Tom Kaslow		
Galt Power, Inc.	Supplier	José Rotger		
Generation Group Member	Generation	Dennis Duffy	Abby Krich	Alex Worsley
Georgetown Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Great River Hydro	AR-RG			Bill Fowler
Groton Electric Light Department	Publicly Owned Entity		Brian Thomson	
Groveland Electric Light Department	Publicly Owned Entity		Dave Cavanaugh	
H.Q. Energy Services (U.S.) Inc. (HQUS)	Supplier	Louis Guillbault	Bob Stein	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN JANUARY 7, 2021 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Harvard Dedicated Energy Limited	End User	Joyceline Chow		
High Liner Foods (USA) Incorporated	End User		William P. Short III	
Hingham Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Holden Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Holyoke Gas & Electric Department	Publicly Owned Entity		Brian Thomson	
Hull Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
Industrial Energy Consumer Group	End User	Alan Topalian		
Ipswich Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Jericho Power LLC (Jericho)	AR-RG	Mark Spencer	Herb Healy	
Littleton (MA) Electric Light and Water Department	Publicly Owned Entity		Dave Cavanaugh	
Littleton (NH) Water & Light Department	Publicly Owned Entity		Craig Kieny	
Long Island Power Authority (LIPA)	Supplier		Bill Killgoar	
Maine Power	Supplier	Jeff Jones		
Maine Public Advocate's Office	End User	Drew Landry		
Maine Skiing, Inc.	End User	Alan Topalian		
Mansfield Municipal Electric Department	Publicly Owned Entity		Brian Thomson	
Maple Energy LLC	AR-LR			Doug Hurley
Marble River, LLC	Supplier		John Brodbeck	
Marblehead Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Mass. Attorney General's Office (MA AG)	End User	Tina Belew	Ben Griffiths	
Mass. Bay Transportation Authority	Publicly Owned Entity		Dave Cavanaugh	
Mass. Municipal Wholesale Electric Company	Publicly Owned Entity	Brian Thomson		
Mercuria Energy America, LLC	Supplier			José Rotger
Merrimac Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Michael Kuser	End User		Jason York	
Middleborough Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Middleton Municipal Electric Department	Publicly Owned Entity		Dave Cavanaugh	
National Grid	Transmission		Tim Martin	
Nautilus Power, LLC	Generation		Bill Fowler	
New Hampshire Electric Cooperative	Publicly Owned Entity	Steve Kaminski		Brian. Forshaw; Dave Cavanaugh; Brian Thomson
New Hampshire Office of Consumer Advocate (NHOCA)	End User	Pradip Chattopadhyay	Erin Camp	
NextEra Energy Resources, LLC	Generation	Michelle Gardner		
North Attleborough Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Norwood Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
NRG Power Marketing LLC	Generation		Pete Fuller	
Pascoag Utility District	Publicly Owned Entity		Dave Cavanaugh	
Paxton Municipal Light Department	Publicly Owned Entity		Brian Thomson	
Peabody Municipal Light Department	Publicly Owned Entity		Brian Thomson	
PowerOptions, Inc.	End User			Erin Camp
Princeton Municipal Light Department	Publicly Owned Entity		Brian Thomson	
PSEG Energy Resources & Trade LLC	Supplier		Eric Stallings	
Reading Municipal Light Department	Publicly Owned Entity		Dave Cavanaugh	
Rowley Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Russell Municipal Light Dept.	Publicly Owned Entity		Brian Thomson	
Shell Energy North America (US), L.P.	Supplier	Matt Picardi		
Shrewsbury Electric & Cable Operations	Publicly Owned Entity		Brian Thomson	
SmartestEnergy US LLC	Supplier	Dave French		
South Hadley Electric Light Department	Publicly Owned Entity		Brian Thomson	

**PARTICIPANTS COMMITTEE MEMBERS AND ALTERNATES
PARTICIPATING IN JANUARY 7, 2021 TELECONFERENCE MEETING**

PARTICIPANT NAME	SECTOR/ GROUP	MEMBER NAME	ALTERNATE NAME	PROXY
Sterling Municipal Electric Light Department	Publicly Owned Entity		Brian Thomson	
Stowe Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Sunrun Inc.	AR-DG			Pete Fuller
Taunton Municipal Lighting Plant	Publicly Owned Entity		Dave Cavanaugh	
Templeton Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
The Energy Consortium	End User	Roger Borghesani	Mary Smith	Joyceline Chow
Vermont Electric Cooperative	Publicly Owned Entity	Craig Kieny		
Vermont Electric Power Co. (VELCO)	Transmission	Frank Ettori		
Vermont Energy Investment Corp (VEIC)	AR-LR		Doug Hurley	
Vermont Public Power Supply Authority	Publicly Owned Entity			Brian Forshaw
Versant Power	Transmission	Lisa Martin	David Norman	
Village of Hyde Park (VT) Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Wakefield Municipal Gas & Light Department	Publicly Owned Entity		Brian Thomson	
Wallingford DPU Electric Division	Publicly Owned Entity		Dave Cavanaugh	
Wellesley Municipal Light Plant	Publicly Owned Entity		Dave Cavanaugh	
West Boylston Municipal Lighting Plant	Publicly Owned Entity		Brian Thomson	
Westfield Gas & Electric Department	Publicly Owned Entity		Dave Cavanaugh	
Wheelabrator North Andover Inc.	AR-RG		Bill Fowler	

CONSENT AGENDA

Reliability Committee (RC)

From the previously-circulated notice of actions of the RC's January 20, 2021 meeting, dated January 20, 2021¹.

1. OP-5 Revisions (Periodic Review)

Support revisions to ISO New England Operating Procedure (OP) No. 5 (Resource Maintenance and Outage Scheduling), including edits to improve technical language, implement minor editorial corrections, updated references, grammar improvements, and clarifications resulting from a periodic review of the OP, as recommended by the RC at its January 20, 2021 meeting, together with such further non-material changes as the Chair and Vice-Chair of the RC may approve.

The motion to recommend Participants Committee support was approved unanimously.

2. OP-18A Revisions (Periodic Review)

Support revisions to Appendix A to OP-18 (ISO-NE Inter-Control Center Communications Protocol communications network processor (ICCP CNP) Node Requirement) (OP-18A), resulting from a periodic review of OP-18A and including improvements and clarifications to the instructions and criteria for requesting access to the ISO ShareFile web portal containing the ICCP data, as recommended by the RC at its January 20, 2021 meeting, together with such further non-material changes as the Chair and Vice-Chair of the RC may approve.

The motion to recommend Participants Committee support was approved unanimously.

3. PP-4 Revisions Procedure for Pool Supported Cost Review

Support changes to Planning Procedure No. 4 (Procedure for Pool-Supported PTF Cost Review) in accordance with RNS/LNS Rates and Rate Protocols Settlement Agreement II, as recommended by the RC at its January 20, 2021 meeting, together with such further non-material changes as the Chair and Vice-Chair of the RC may approve.

The motion to recommend Participants Committee support was approved unanimously.

Markets Committee (MC)

From the previously-circulated notice of actions of the MC's January 19, 2021 meeting, dated January 20, 2021.²

4. Market Rule 1 Revisions (Remove Price Lock Rule from the FCM)

Support revisions to Market Rule 1 Sections III.13.1.1.2.2.4 and III.13.1.4.1.1.2.7 to remove, as directed by the FERC's January 2, 2020 order issued in Docket No. EL20-54-000, the price-lock mechanism and zero-price offer rule from the Forward Capacity Market (FCM), as recommended by the MC at its January 19, 2021 meeting, together with such further non-material changes as the Chair and Vice-Chair of the MC may approve.

The motion to recommend Participants Committee support was approved unanimously, with one abstention noted from the End User Sector.

¹ RC Notices of Actions are posted on the ISO-NE website at: [https://www.iso-ne.com/committees/reliability/reliability-committee/?document-type=Committee Actions](https://www.iso-ne.com/committees/reliability/reliability-committee/?document-type=Committee%20Actions).

² MC Notices of Actions are posted on the ISO-NE website at: [https://www.iso-ne.com/committees/markets/markets-committee/?document-type=Committee Actions](https://www.iso-ne.com/committees/markets/markets-committee/?document-type=Committee%20Actions).

Joint Nominating Committee
Notes from January 15, 2021 Meeting

1. The JNC met on January 15, 2021 to conclude its conversation about the needed search criteria for the two 2021 director openings. Committee members reflected on the conversation begun at the December JNC meeting, reaffirming that the most critical skills sought are those needed to replace the expertise which will be lost with the 2022 retirements of Mr. Rush and Ms. VanZandt, specifically electricity markets and bulk power transmission expertise.
2. In addition to these technical skills, the Committee affirmed its commitment to diversity, emphasizing its desire to see candidates representing all types of diversity. Mr. Rush stressed the importance of finding a practitioner within the energy markets space, as distinct from an academic, and many Committee members expressed a desire to see candidates with strong backgrounds in energy. Some added that experience with energy industry transformation or the transition to clean energy would be desirable and Mr. Colangelo requested that the search partners be generally on the lookout for Information Technology and Cyber skills, though that it not the focus of this year's search. Strategic thinking and execution skills were highlighted as traits that could help the Board guide the region's future grid and pathways work. While Committee members noted that having four open positions in the next two years afforded some recruiting flexibility, many others noted the importance of prioritizing the hiring of directors with markets and transmission expertise to allow them a year of overlap with Mr. Rush and Ms. VanZandt. A few Committee members also observed that it would be helpful if the candidates had an orientation to consumer costs and/or had expertise in, or at least sensitivity to, sharing costs equitably across a multi-state region. Finally, Committee members agreed that strong interpersonal skills and the ability to communicate, collaborate, and compromise were essential attributes.

3. Ms. Rockwood, of Russell Reynolds Associates, the Committee's executive search partner, confirmed that she had enough information to develop Position Specifications and a Candidate Archetype and promised to circulate both to Committee members for their review and comments, after which she and her associates would begin generating a slate of potential candidates for the Committee's review in several weeks.
4. The group then discussed whether it wanted to consider candidates who were of an age that, without a waiver, would preclude them from serving three full terms. Mr. Shapiro noted that in the past, due to the steep learning curve faced by new directors, the JNC had focused only on candidates able to serve three full terms. He reminded the Committee members that the JNC has the ability to waive the age limit to allow a director to serve a third term and, as such, asked for their thoughts on broadening the pool of candidates. Following discussion, Committee members agreed not to disqualify individuals able only to serve two terms but instead consider their service duration in light of their other attributes.
5. The next JNC meeting will be held in on March 5 to discuss the "Long List" of candidates. Following selection of several, the candidates will be interviewed via WebEx in the mid-March to early-April timeframe.

Michael J. Curran

Mike is currently a member of the ISO-NE Board of Directors and the former Chair of MISO, where he served 12 years as a member of the Board in multiple capacities. He retired as Chairman & CEO of the Boston Stock Exchange (BSE), having guided the BSE through the transformation to fully automated financial markets and the launched of several joint ventures until the sale of the BSE in 2008. Prior to joining the BSE, Mike held a number of executive positions; Managing Director at Scudder, Stevens & Clark; including, COO of the Kemper Funds, COO of International Mutual Funds, President of the Scudder/Kemper Service Corporations and Chief Information Officer. Prior to joining Scudder, Mike worked for 14 years in IT Consulting and was Partner-in-Charge of the Northeast Information Systems Practice for Coopers & Lybrand after beginning his career with Electronic Data Systems (EDS). In addition to his work with ISO-NE, Mike currently serves on the Nasdaq Exchange Boards and as an advisor to Fluent Technology, The Médi Group Ltd., Jaju and EDGE Automation llc.



MICHAEL J. CURRAN

PROFESSIONAL EXPERIENCE

Boston Stock Exchange

2001 – September 2008

Boston Stock Exchange, operated and regulated a number of US markets under the auspices of the Securities and Exchange Commission; including the Boston Options Exchange (BOX), Boston Equities Exchange (BeX), Level ATS and the Boston Stock Exchange Clearing Corporation.

Chairman & CEO

2004 – September 2008

Successfully navigated the BSE through a period of tremendous market and technological structural changes in the US market. Lead the creation of two joint ventures with various investment banks.

- BSXG LLC to launch the BeX market for the trading of US equities under the National Market System and
- Level LLC (eBX) for the dark book trading of US equities.

Successfully completed a two party strategic transaction with Nasdaq Trading Inc. and Bourse de Montréal.

Chief Information Officer, Chief Operating Officer and CEO

2001 – 2004

Directed information systems and operations to address numerous reliability, regulatory and operational issues. Successfully launched a major extension of the core trading activities to enable the trading of Nasdaq securities.

Zurich Scudder Investments / Scudder Stevens & Clark

1993 – 2001

Zurich Scudder Investments (\$370B AUM) was a global investment manager. ZSI was a member of Zurich Financial Services a global leader in the financial services industry providing solutions in the areas of financial protection and asset accumulation with offices in over 60 countries and over 68,000 employees.

Chief Operating Officer Scudder Kemper Domestic & International Funds

Chairman & CEO – Scudder Canada

President Scudder Service Corporation/Kemper Service Company

Chief Information Officer

Coopers & Lybrand

1986 – 1993

Partner in Charge, Northeast Region Information Technology Consulting Practice

Apollo Computer	9/84 – 3/86	Manager, IT Resources and Office Automation.
Peat, Marwick, Mitchell & Co	9/79 – 9/84	Manager/Consultant, Information Services Practice.
Electronic Data Systems (EDS)	2/77 – 9/79	Systems Engineer, Health Care & Gov't Services.

CURRENT BOARD DIRECTORSHIPS

Independent System Operator – New England (ISO-NE) – Director

ISO-NE is the independent systems operator for the New England states. Serves as Chair of the Audit & Finance Committee and a member of the Audit & Finance, Information Technology and Markets committees.

Nasdaq OMX - Director, Exchange Boards

Oversees the regulatory operations of the Nasdaq, PHLX, BX, ISE, MRX and GEMX

Fluent Technology - Advisor

Family owned business dedicated to the management, delivery and presentation of financial information for asset managers and retirement investment advisors.

Médi Group – Advisor

Family owned software and service company that develops enterprise workflow and financial solutions for advertising and marketing communications companies, in-house agencies, consulting firms, and other professional services firms.

Jaju – Advisor

Family owned manufacturer of Polish food products with distribution throughout New England and the Mid-Atlantic states.

EDGE Automation llc. - Advisor

Family owned provider of Building Automation solutions.

FORMER BOARD DIRECTORSHIPS

Midcontinent Independent System Operator, Inc. (MISO) 2007 – 2019

MISO operates the bulk electrical power transmission grid for the Central United States and Manitoba, Canada. Has served as the Chairman, Board of Directors, Chair of the Markets Committee and a member of the Audit & Finance, Information Technology and Governance Committees.

Cramer Online – Advisor (2008 – 2018)

Family owned digital marketing and event solutions firm.

EDUCATION

1976	BS Economics	DICKINSON COLLEGE
		Carlisle, PA
Series 7 (lapsed)		

* * * * *

Summary of ISO New England Board and Committee Meetings

February 4, 2021 Participants Committee Meeting

Since the last update, the Nominating and Governance Committee, the Markets Committee, and the System Planning and Reliability Committee met on January 20. The Audit and Finance Committee, the Compensation and Human Resources Committee, and the Board of Directors each met on January 21. All of the meetings were held virtually.

The Nominating and Governance Committee received a report on Joint Nominating Committee activities. The Committee discussed the Company's strategic planning process for 2021, and considered potential speakers to invite to Board meetings as a means of ongoing industry-related education. Next, the Committee received reports from Anne George on the impact of the 2020 elections on Congress and the New England states, and from Maria Gulluni on the effect of a new FERC chair and two new commissioners on priorities related to transmission and markets issues. The Committee agreed with the recommendation of the Special Committee on Information Technology and Cyber Security to create a new standing committee of the Board to oversee the information technology and cyber security topics, and discussed the leadership and membership of the new committee. (These actions will not be final until the Board considers the creation and membership of the new committee at its meeting in February.) The Committee received an update on the upcoming virtual state technical forums to discuss the three areas highlighted in its vision statement: wholesale markets, transmission planning, and ISO governance. Finally, the Committee reviewed additional issues related to Board education, including the availability of trade press subscriptions, membership in the National Association of Corporate Directors, and the orientation program for new directors.

The Markets Committee received reports from both the Internal and External Market Monitors on key market issues during the 2020 fall season, and reviewed a summary of FERC Order No. 2222 regarding Distributed Energy Resource aggregation participation in ISO/RTO markets. The Committee also discussed the impact of tax credits on offer-review trigger prices. During executive session, the Committee assessed the achievement of 2020 corporate goals.

The System Planning and Reliability Committee discussed the enhancements being made to the Regional System Plan, and received an update on the Company's compliance with NERC and NPCC standards. The Committee then discussed activities and events that were a major focus

during the late summer and fall of 2020, including regional planning activities, qualifications for Forward Capacity Auction #15, economic study requests, integration of Distributed Energy Resources, and winter preparedness. In addition, the Committee previewed activities anticipated to be a major focus for the first quarter of 2021. The Committee also reviewed a dashboard summary of ongoing projects. Lastly, the Committee held an executive session to assess achievement of 2020 corporate goals.

The Audit and Finance Committee received an update on the current financial forecast for 2021, and was also provided with a report on cyber security matters, including the recent SolarWinds breach (which largely did not affect ISO-NE). The Committee then met in executive session to assess achievement of 2020 corporate goals.

The Compensation and Human Resources Committee convened and agreed to recommend to the Board the Company's corporate goals for 2021. In executive session, the Committee considered corporate performance and the achievement of corporate goals for 2020. The Committee also held a preliminary discussion related to 2021 officer compensation and, with the Company's outside compensation consultant, considered the reasonableness of that compensation when compared to similarly-situated companies.

The Board of Directors received reports from the standing committees outlining highlights from their recent meetings. During the Nominating and Governance Committee report, the Board reviewed the upcoming virtual state technical forums to discuss the three areas highlighted in its vision statement: wholesale markets, transmission planning and ISO governance. The Board then received reports from members of the Board on topics discussed at liaison meetings with the state utilities commissions, and considered plans for a joint ISO/RTO meeting in May. While in executive session, the Board approved the Company's corporate goals for 2021.

NEPOOL Participants Committee Report

February 2021



Vamsi Chadalavada

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER



Table of Contents

• Highlights	Page	3
• System Operations	Page	14
• Market Operations	Page	27
• Back-Up Detail	Page	44
– Demand Response	Page	45
– New Generation	Page	47
– Forward Capacity Market	Page	54
– Reliability Costs - Net Commitment Period	Page	60
Compensation (NCPC) Operating Costs		
– Regional System Plan (RSP)	Page	89
– Operable Capacity Analysis – Winter 2021 Analysis	Page	118
– Preliminary Spring 2021 Analysis	Page	125
– Operable Capacity Analysis – Appendix	Page	132





Regular Operations Report - Highlights



Highlights

- Day-Ahead (DA), Real-Time (RT) Prices and Transactions
 - Update: December 2020 Energy Market value totaled \$450M
 - January 2021 Energy market value over the period was \$354M, down \$96M from December 2020 and up \$57M from January 2020
 - January natural gas prices over the period were 5.4% lower than December average values
 - Average RT Hub Locational Marginal Prices (\$37.16/MWh) over the period were 11% lower than December averages
 - DA Hub: \$36.78/MWh
 - Average January 2021 natural gas prices and RT Hub LMPs over the period were up 41% and up 42%, respectively, from January 2020 averages
 - Average DA cleared physical energy during the peak hours as percent of forecasted load was 98.4% during January, down from 98.5% during December*
 - The minimum value for the month was 92.6% on Monday, January 18th

Data through January 27th

*DA Cleared Physical Energy is the sum of Generation and Net Imports cleared in the DA Energy Market

Underlying natural gas data furnished by:



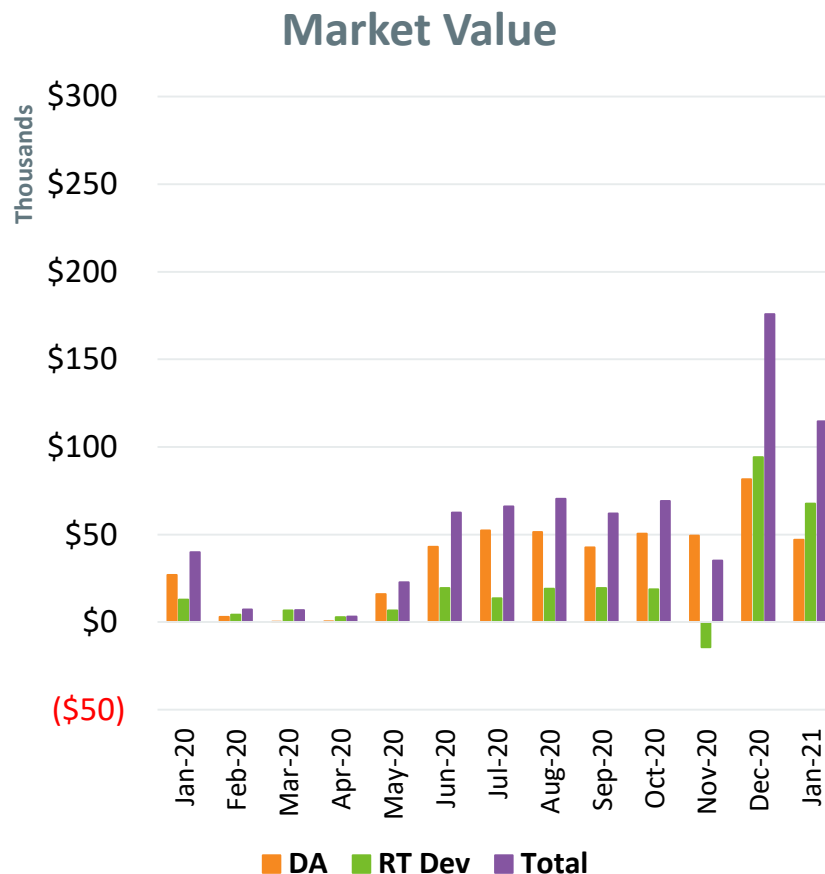
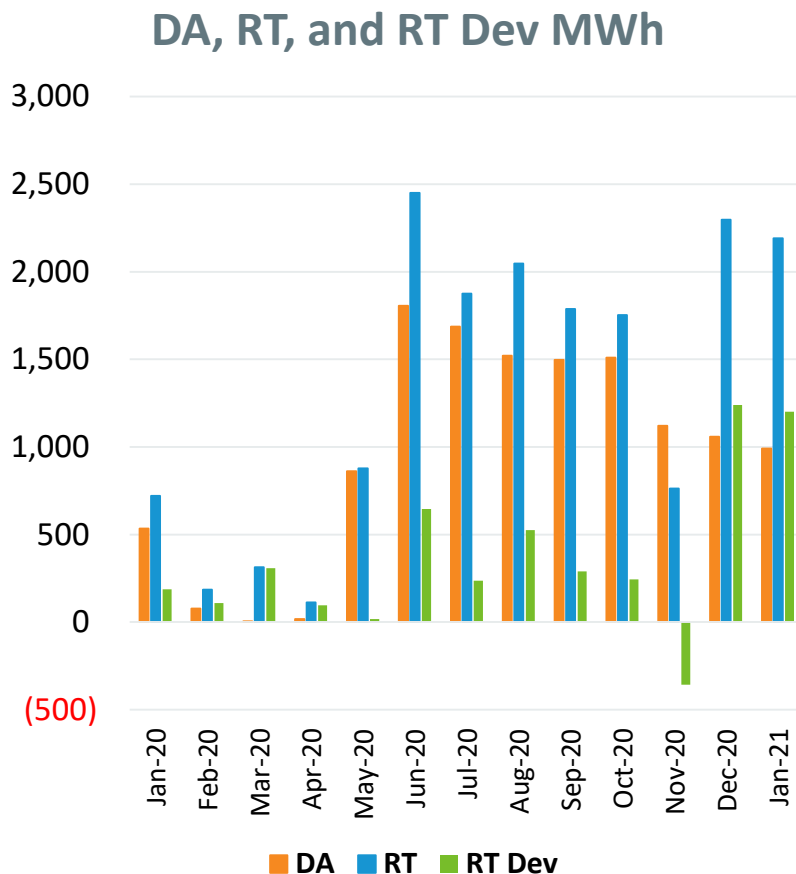
Highlights, cont.

- Daily Net Commitment Period Compensation (NCPC)
 - January 2021 NCPC payments totaled \$3.1M over the period, down \$0.5M from December 2020 and up \$1.3M from January 2020
 - First Contingency payments over the period totaled \$1.8M, down \$0.1M from December
 - \$1.5M paid to internal resources, down \$0.4M from December
 - » \$540K charged to DALO, \$563K to RT Deviations, \$371K to RTLO*
 - \$290K paid to resources at external locations, up \$236K from December
 - » Virtually all charged to DALO at external locations
 - Second Contingency payments totaled \$1.2M, down \$403K from December
 - Distribution payments totaled \$72K, up \$65K from December
 - Voltage payments were zero
 - NCPC payments over the period as percent of Energy Market value were 0.9%

* NCPC types reflected in the First Contingency Amount: Dispatch Lost Opportunity Cost (DLOC) - \$194K; Rapid Response Pricing (RRP) Opportunity Cost - \$165K; Posturing - \$12K; Generator Performance Auditing (GPA) - \$0



Price Responsive Demand (PRD) Energy Market Activity by Month



Note: DA and RT (deviation) MWh are settlement obligations and reflect appropriate gross-ups for distribution losses.



Forward Capacity Market (FCM) Highlights

- CCP 12 (2021-2022)
 - Third and final annual reconfiguration auction (ARA3) will be held on March 1-3, and results will be posted no later than March 31
- CCP 13 (2022-2023)
 - Second annual reconfiguration auction (ARA2) will be held on August 2-4, and results will be posted no later than September 1
- CCP 14 (2023-2024)
 - First annual reconfiguration auction (ARA1) will be held on June 1-3, and results will be posted no later than July 1

CCP – Capacity Commitment Period
ICR – Installed Capacity Requirement



FCM Highlights, cont.

- CCP 15 (2024-2025)
 - FCA 15 will model the same zones as FCA 14
 - Export-constrained zones: Maine nested inside Northern New England
 - Import-constrained zone: Southeast New England
 - Preparations are ongoing for the auction that will commence on February 8
- Mock Auction was successfully conducted on Monday, February 1st
 - 100 unique participating companies
 - Conducted a 4 round mock auction
 - Power Auctions staff was remote; ISO staff was in a hybrid posture (some on-site and others off-site)
 - No major issues were encountered



FCM Highlights, cont.

- CCP 16 (2025-2026)
 - The qualification process has started, and training materials are under development
 - Topology certifications were sent to the TOs on October 1, 2020
 - Transmission Owners to identify in-service dates for new transmission projects and revisions to previously certified projects
 - Approved projects to be shared with the RC at their January 2021 meeting
 - Capacity zone development discussions began at the November 19, 2020 PAC meeting
 - All subsequent reconfiguration auctions model the same zones as the FCA
 - FCA 16 dynamic delist bid threshold price to be determined and posted to the ISO-NE website no later than early March



Highlights

- Forward Capacity Auction #15 will begin on February 8
- Future Grid Reliability Study Phase 1 work by ISO-NE has commenced
- Boston 2028 RFP and Order 1000 Lessons Learned Update is planned for the February 17 PAC meeting, but may be deferred until March
- Transmission Planning for the Clean-Energy Transition study results are expected in Q2
- RSP21 Public Meeting is set for October 6, but the venue and format have yet to be decided



Load Forecast

- Efforts continue to enhance load forecast models and tools to improve day-ahead and long-term load forecast performance
 - Discussions are ongoing with industry experts regarding emerging technologies/trends and methods of incorporating these into the forecast
- The 2021 load forecast development process continues
 - Upcoming meetings include: Energy-Efficiency Forecast Working Group (2/12), Load Forecast Committee (2/19), and Distributed Generation Forecast Working Group (2/22)
 - In the March/April timeframe, PAC will discuss the preliminary ten-year forecast
 - Publication of the final ten-year forecast will be in the May CELT report



FERC Order 1000

- Qualified Transmission Project Sponsor (QTPS)
 - 25 companies have achieved QTPS status
 - 2021 Annual QTPS Certification
 - All 25 QTPSs submitted completed Annual QTPS Certification forms to the ISO prior to the close of the Certification Window on January 31
 - The ISO is reviewing the information provided in the submitted forms, will determine whether the QTPSs continue to meet the Attachment K requirements, and will notify the QTPSs as to their status for 2021



Highlights

- The power system operated reliably with no supplemental commitments during the late January cold weather
 - No major generator outages or reductions
 - No major transmission system outages
 - Regular communications with gas pipeline operations improves the ISO's situational awareness; No issues were noted
 - Peak load on 1/29 was 18,703 MW in hour ending 18 with a high temperature for the day of 17°F
- The lowest 50/50 and 90/10 Winter Operable Capacity Margins are projected for week beginning February 13, 2021.
- The lowest 50/50 and 90/10 Preliminary Spring Operable Capacity Margins are projected for week beginning May 8, 2021.



SYSTEM OPERATIONS



System Operations

<u>Weather Patterns</u>	Boston	Temperature: Above Normal (2.0°F) Max: 52°F, Min: 7°F Precipitation: 2.02" (1.34" Below Normal) Normal: 3.36" Snow: 5.8"	Hartford	Temperature: Above Normal (2.8°F) Max: 48°F, Min: 1°F Precipitation: 2.43" (0.80" Below Normal) Normal: 3.23" Snow: 5.0"
-------------------------	--------	--	----------	--

<u>Peak Load:</u>	18,703 MW	01/29/2021	18:00 (ending)
-------------------	-----------	------------	----------------

Emergency Procedure Events (OP-4, M/LCC 2, Minimum Generation Emergency)

Procedure	Declared	Cancelled	Note
None			



System Operations

NPCC Simultaneous Activation of Reserve Events

Date	Area	MW Lost
01/16/2021	ISONE	660
01/16/2021	NBPSO	700

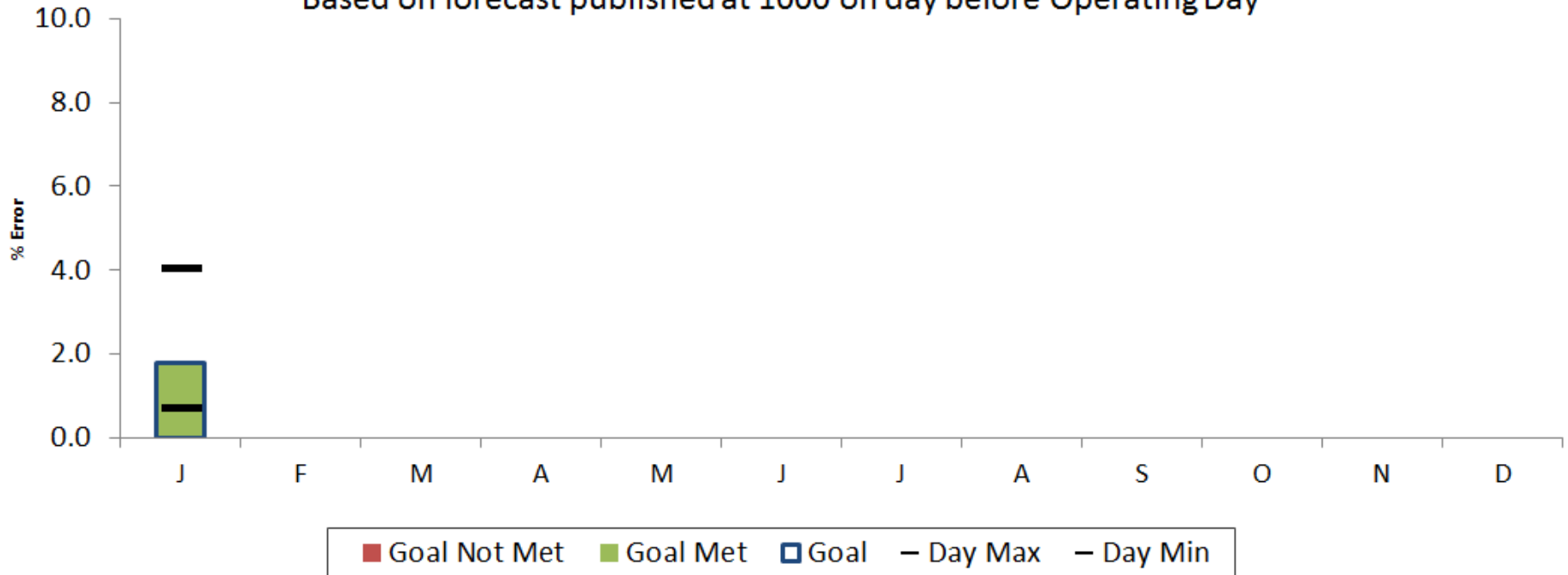


2021 System Operations - Load Forecast Accuracy

Dashboard
Indicator



All Hours
Monthly Average, Daily Maximum and Minimum,
Based on forecast published at 1000 on day before Operating Day



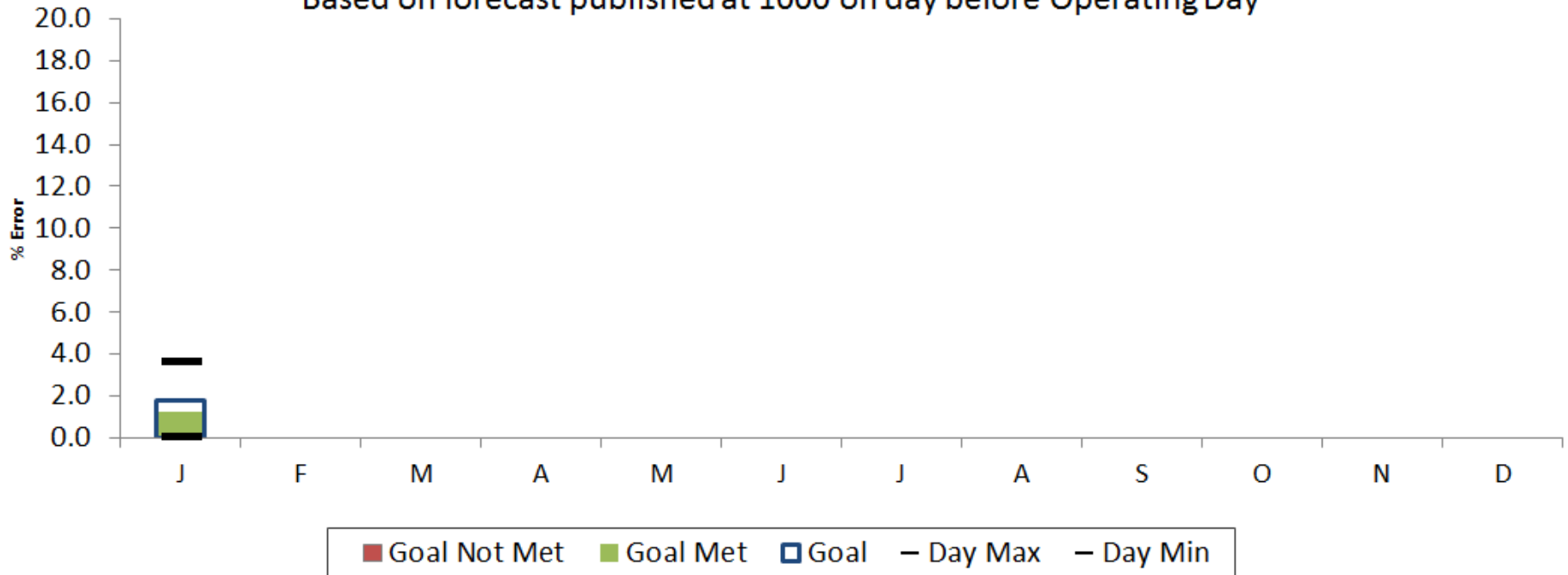
Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	4.04												4.04
Day Min	0.70												0.70
MAPE	1.72												1.72
Goal	1.80												

2021 System Operations - Load Forecast Accuracy cont.

Dashboard
Indicator



Peak Hours
Monthly Average, Daily Maximum and Minimum,
Based on forecast published at 1000 on day before Operating Day

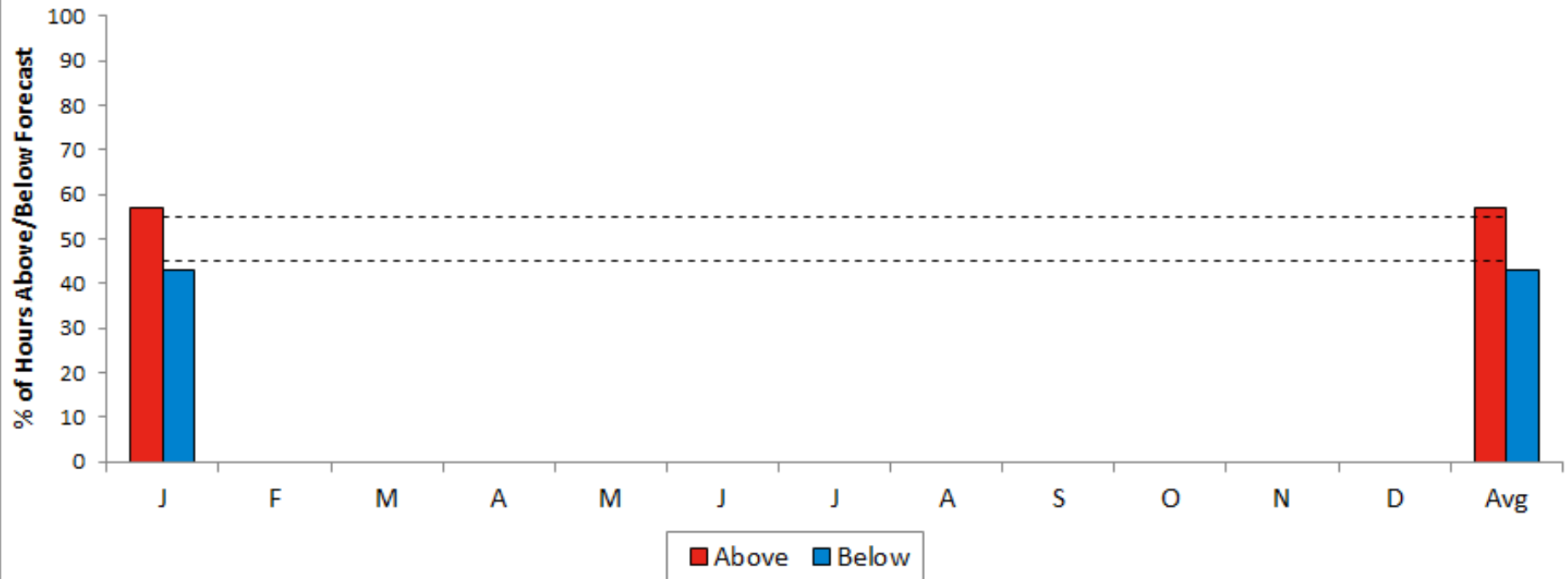


Month	J	F	M	A	M	J	J	A	S	O	N	D	
Day Max	3.61												3.61
Day Min	0.02												0.02
MAPE	1.26												1.26
Goal	1.80												

2021 System Operations - Load Forecast Accuracy cont.

Percent of Hours Actual Load
Above vs. Below Forecast
Based on LF published by 1000, day before Operating Day

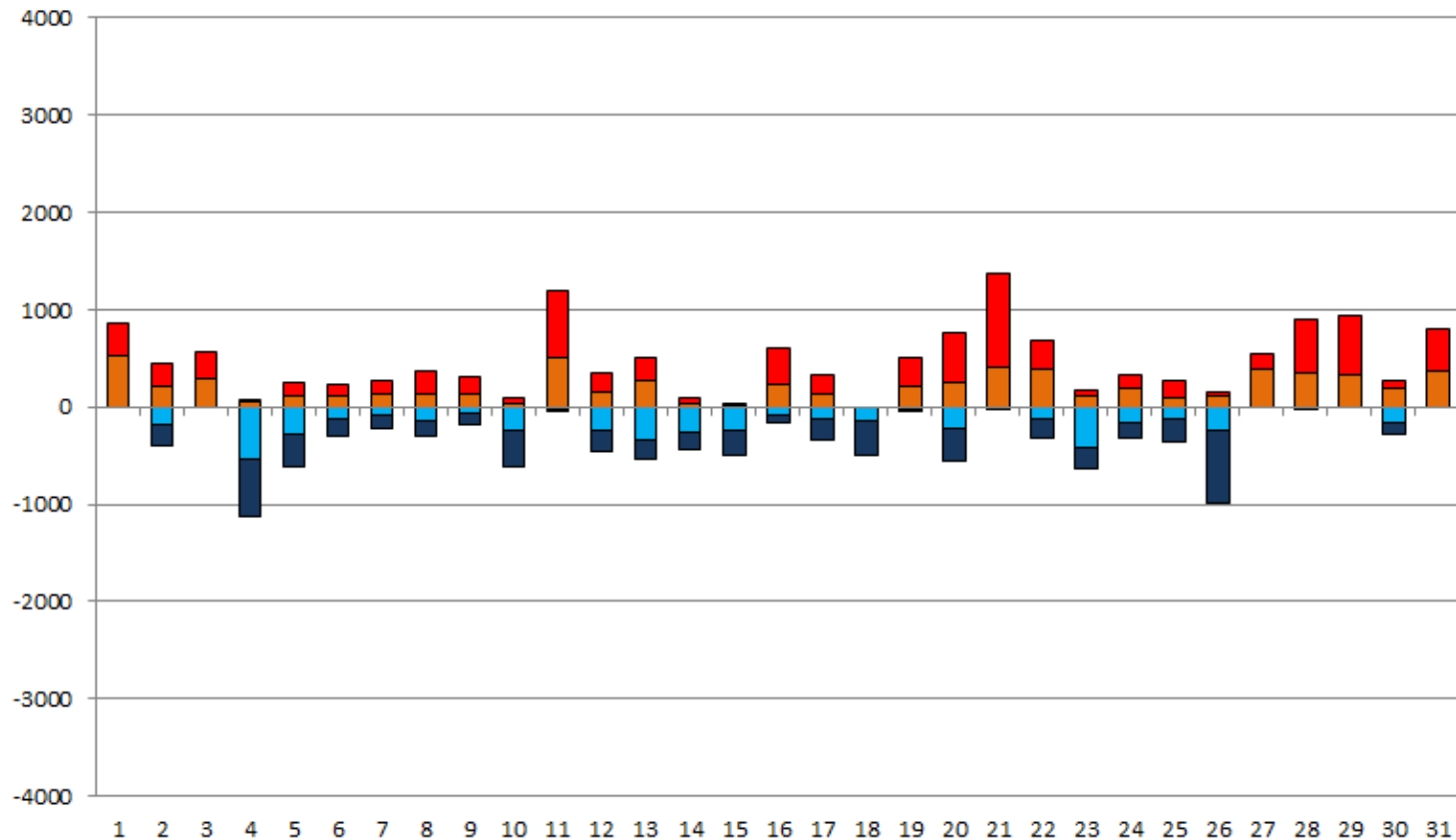
Target = 50%
Plus/Minus = 5%



	J	F	M	A	M	J	J	A	S	O	N	D	Avg
Above %	57.1												57
Below %	42.9												43
Avg Above	209.5												210
Avg Below	-147.6												-148
Avg All	60												60

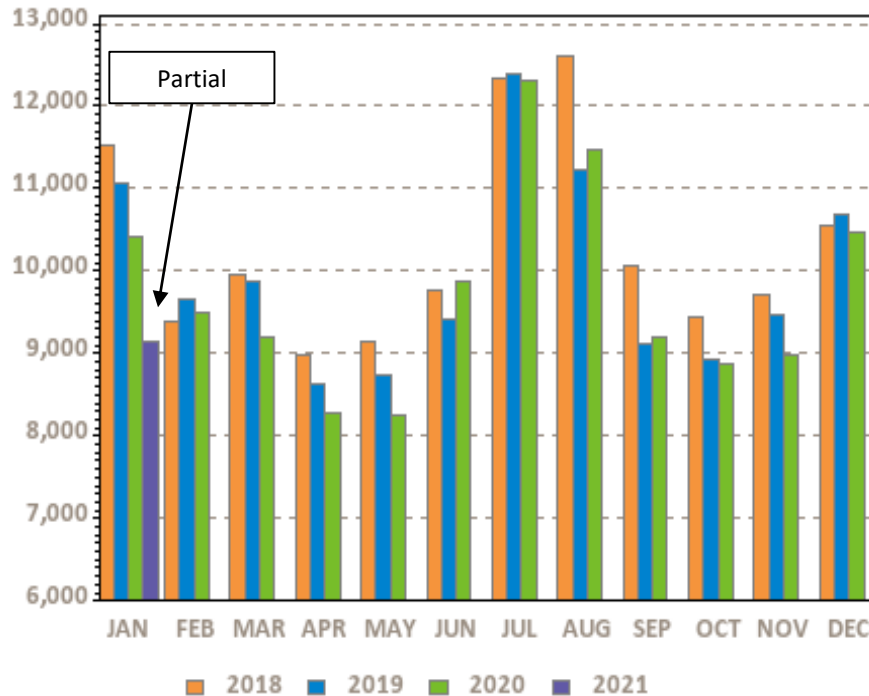
2021 System Operations - Load Forecast Accuracy cont.

Deviation of Actual Load from Forecasted Load January 2021



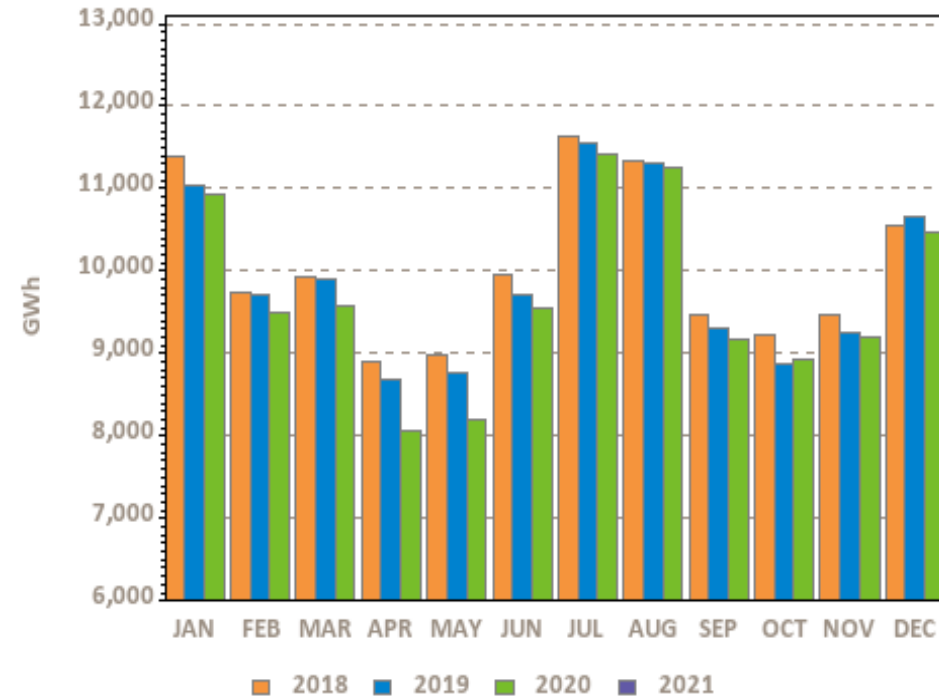
Monthly Recorded Net Energy for Load (NEL) and Weather Normalized NEL

Net Energy for Load (NEL)



Ann Tot (TWh): 123.5 119.2 116.8 9.1

Weather Normalized NEL



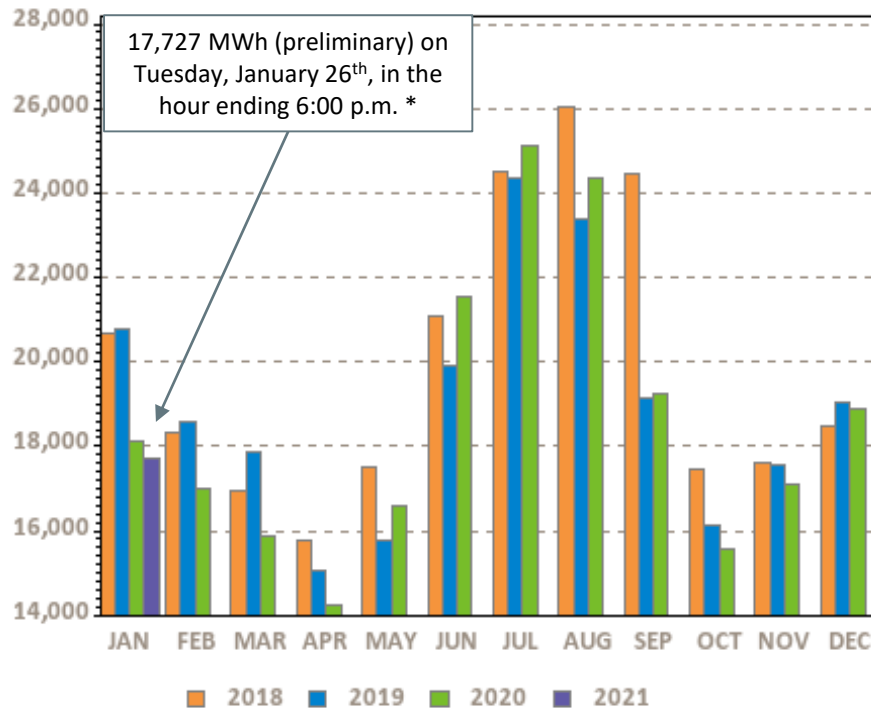
Ann Tot (TWh): 120.6 118.8 116.3 pending

NEPOOL NEL is the total net revenue quality metered energy required to serve load and is analogous to 'RT system load.' NEL is calculated as: Generation – pumping load + net interchange where imports are positively signed. Current month's data may be preliminary. Weather normalized NEL may be reported on a one-month lag.



Monthly Peak Loads and Weather Normalized Seasonal Peak History

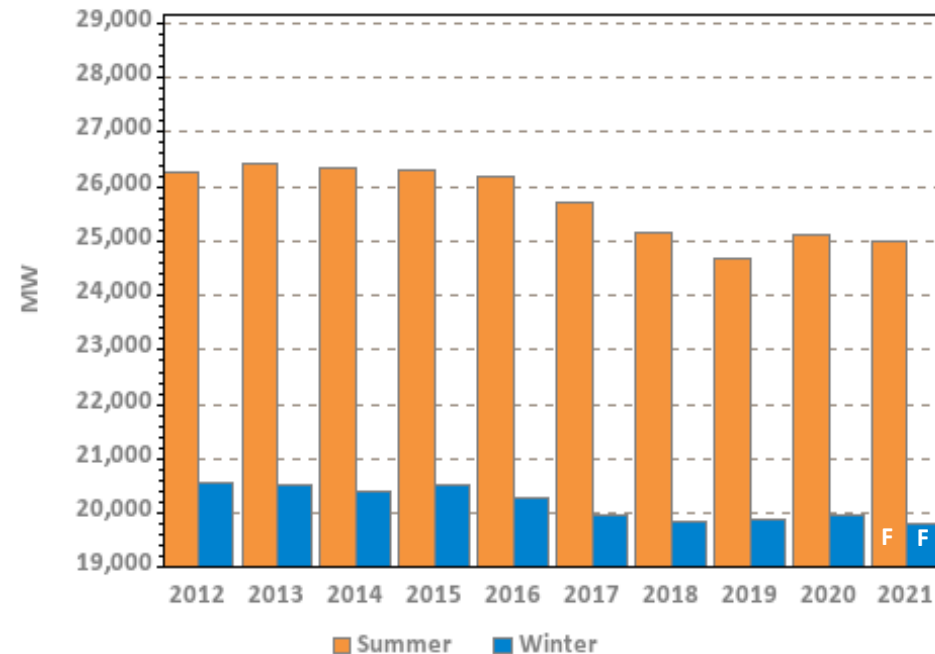
System Peak Load



Revenue quality metered value

* Likely to be succeeded by higher load later in the month. Data here is through Jan. 26th

Weather Normalized Seasonal Peaks

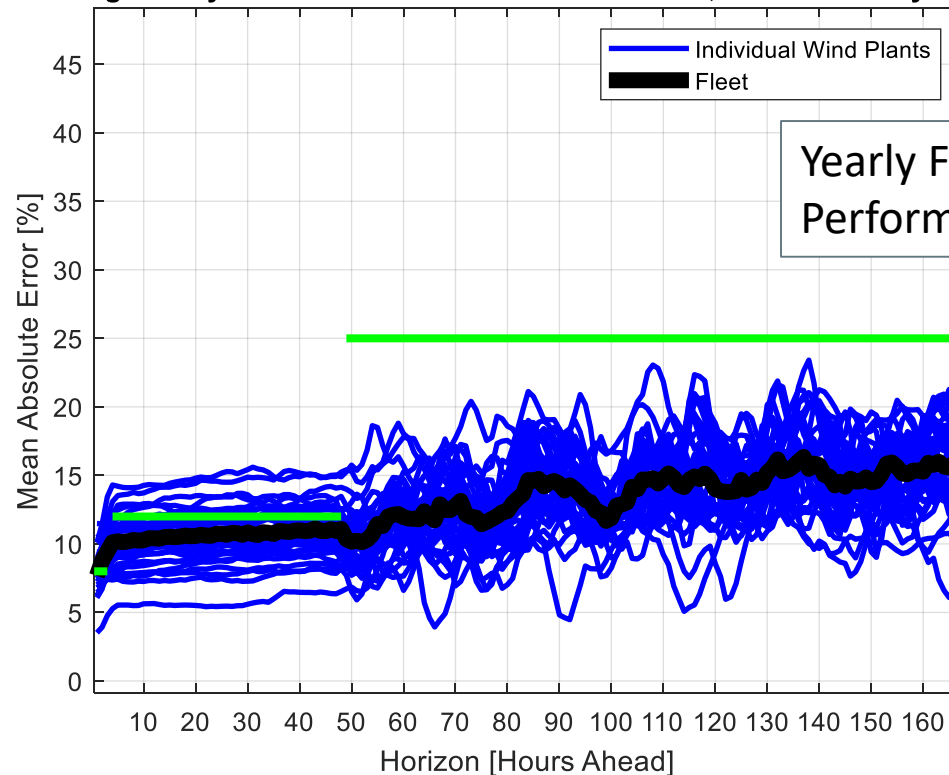


Winter beginning in year displayed

F – designates forecasted values, which are updated in April/May of the following year; represents “net forecast” (i.e., the gross forecast net of passive demand response and behind-the-meter solar demand)

Wind Power Forecast Error Statistics: Medium and Long Term Forecasts MAE

Rolling 30-day MAE for ISO Wind Power Forecast, as of February 1, 2021

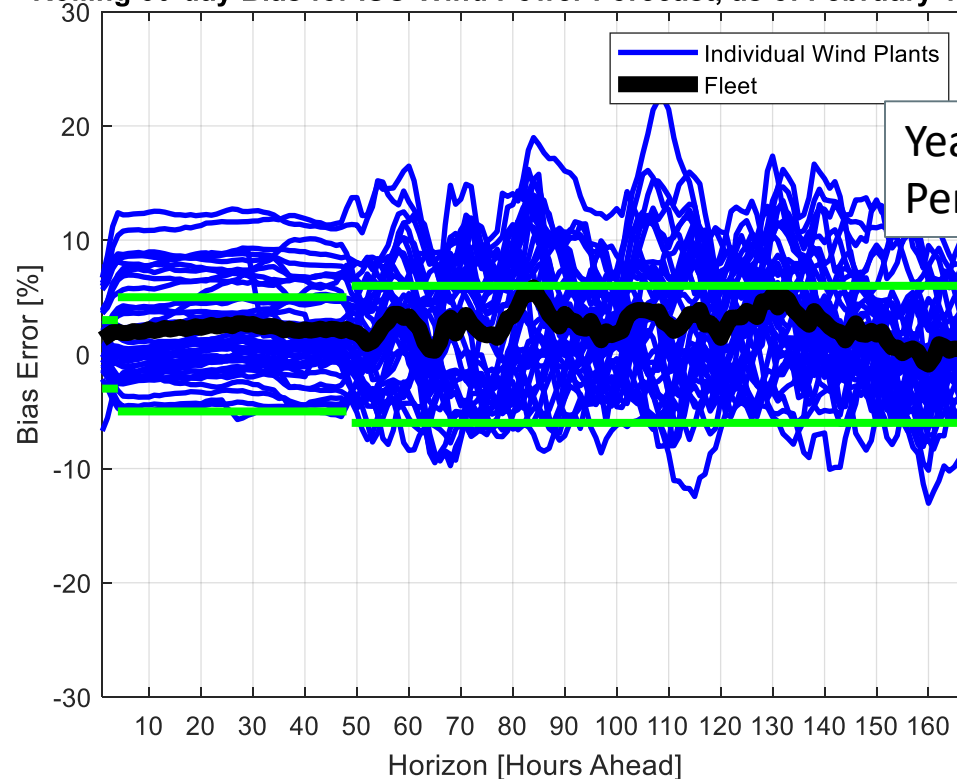


Dashboard Indicator ●

Ideally, MAE and Bias would be both equal to zero. As is typical, MAE increases with the forecast horizon. MAE and Bias for the fleet of wind power resources are less due to offsetting errors. Across all time frames, the ISO-NE/DNV-GL forecast is very good compared to industry standards, and monthly MAE is within the yearly performance targets.

Wind Power Forecast Error Statistics: Medium and Long Term Forecasts Bias

Rolling 30-day Bias for ISO Wind Power Forecast, as of February 1, 2021



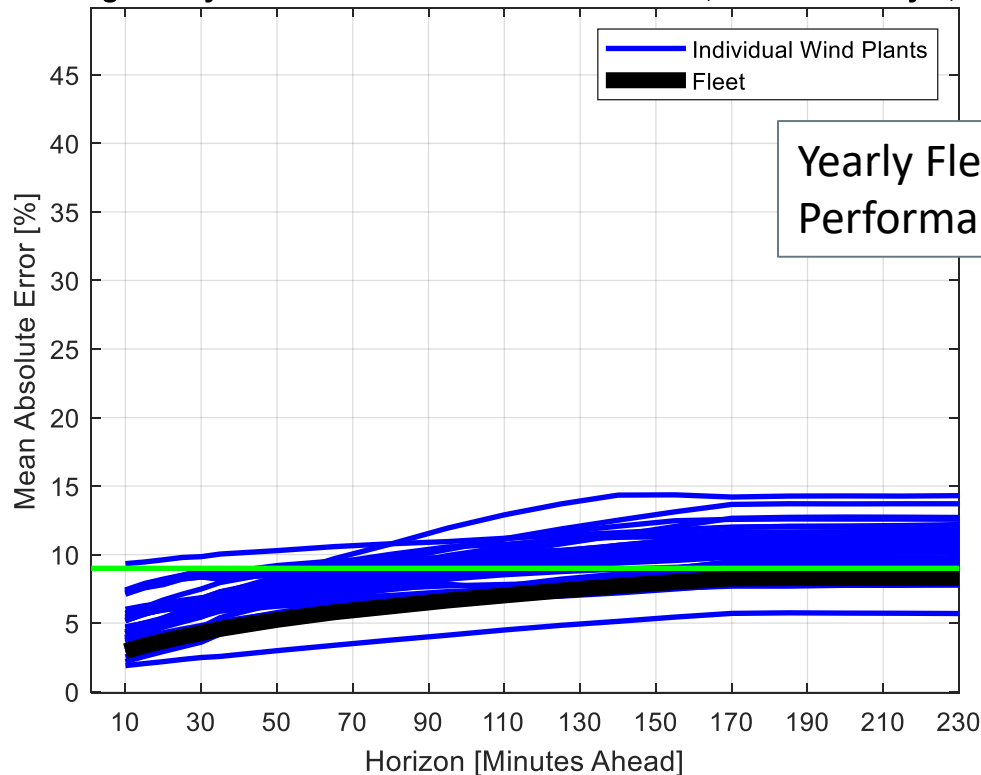
Dashboard Indicator ●

Yearly Fleet
Performance targets

Ideally, MAE and Bias would be both equal to zero. Positive bias means less windpower was actually available compared to forecast. Negative bias means more windpower was actually available compared to forecast. Across all time frames, the ISO-NE/DNV-GL forecast compares well with industry standards, and monthly Bias is mostly within yearly performance targets.

Wind Power Forecast Error Statistics: Short Term Forecast MAE

Rolling 30-day MAE for ISO Wind Power Forecast, as of February 1, 2021

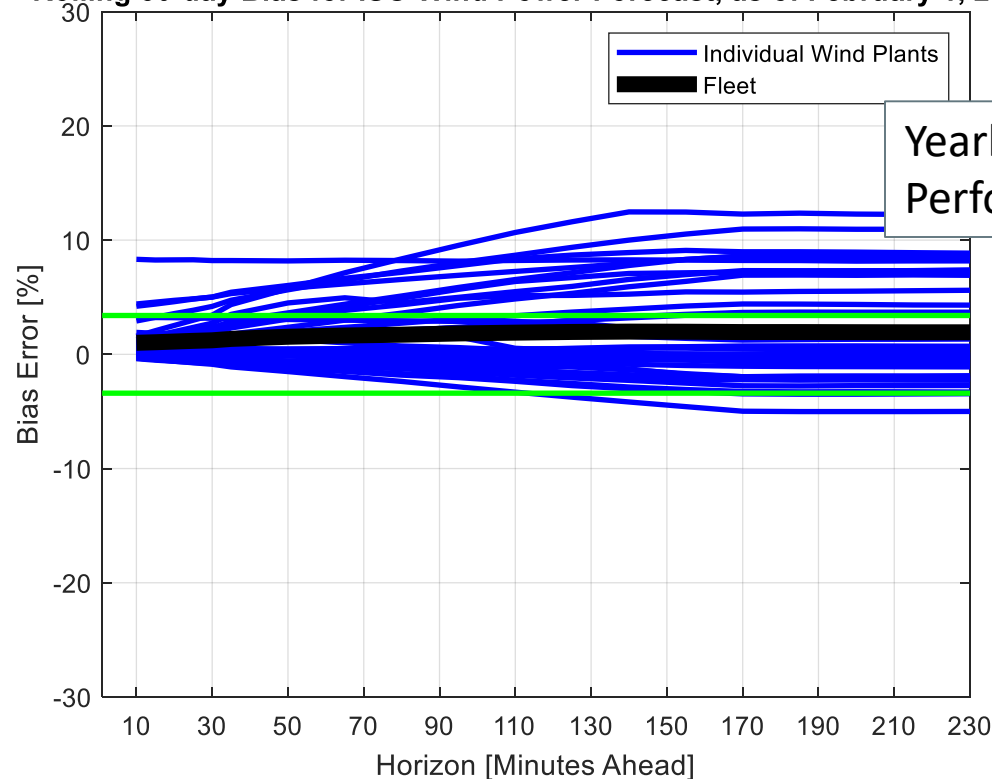


Dashboard Indicator ●

Ideally, MAE and Bias would be both equal to zero. As is typical, MAE increases with the forecast horizon. MAE and Bias for the fleet of wind power resources are less due to offsetting errors. Across all time frames, the ISO-NE/DNV-GL forecast is very good compared to industry standards, and monthly MAE is within the yearly performance targets.

Wind Power Forecast Error Statistics: Short Term Forecast Bias

Rolling 30-day Bias for ISO Wind Power Forecast, as of February 1, 2021



Dashboard Indicator 

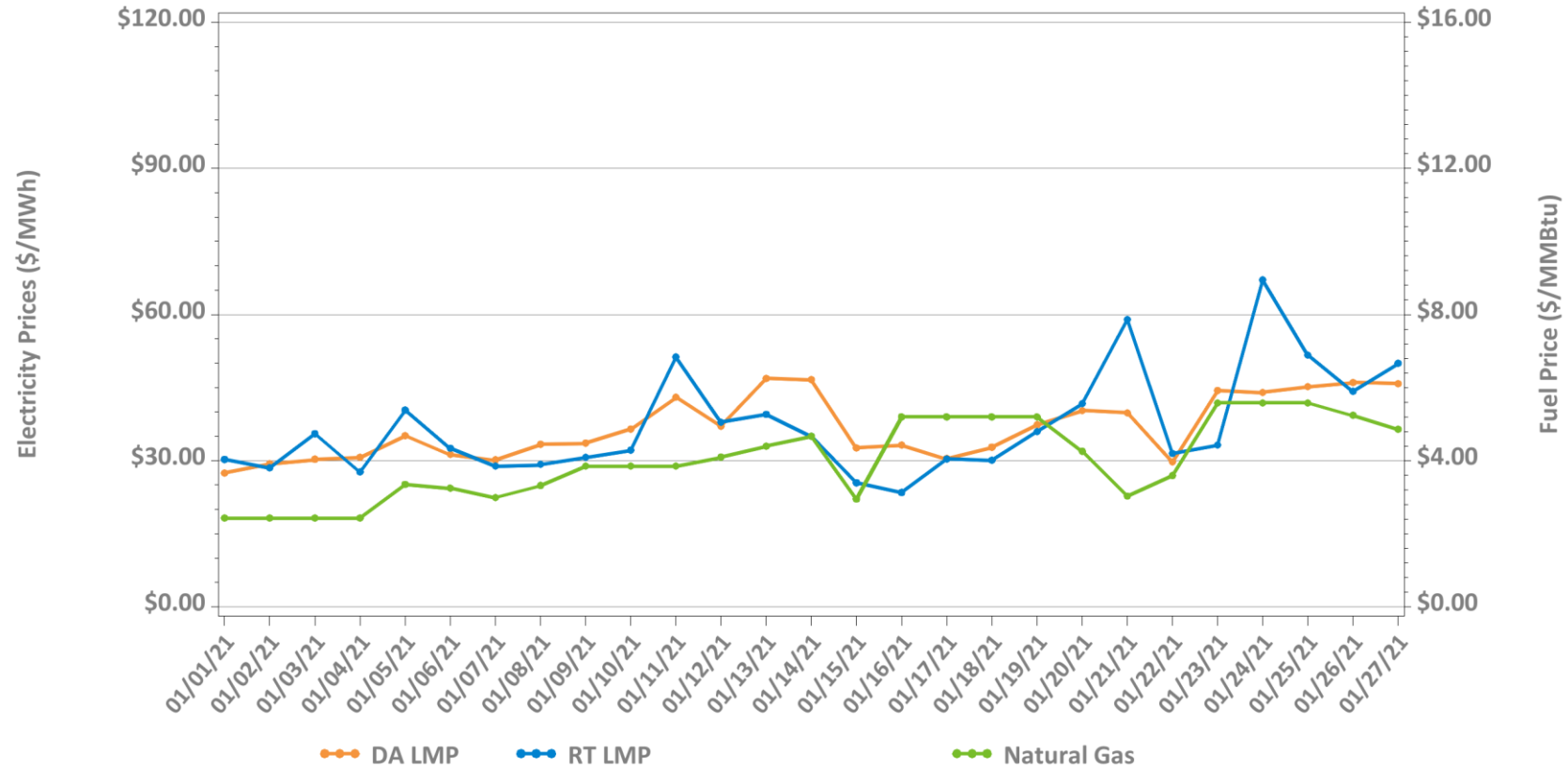
Yearly Fleet
Performance targets

Ideally, MAE and Bias would be both equal to zero. Positive bias means less windpower was actually available compared to forecast. Negative bias means more windpower was actually available compared to forecast. Across all time frames, the ISO-NE/DNV-GL forecast compares well with industry standards, and monthly Bias is within yearly performance.

MARKET OPERATIONS



Daily Average DA and RT ISO-NE Hub Prices and Input Fuel Prices: January 1-27, 2021

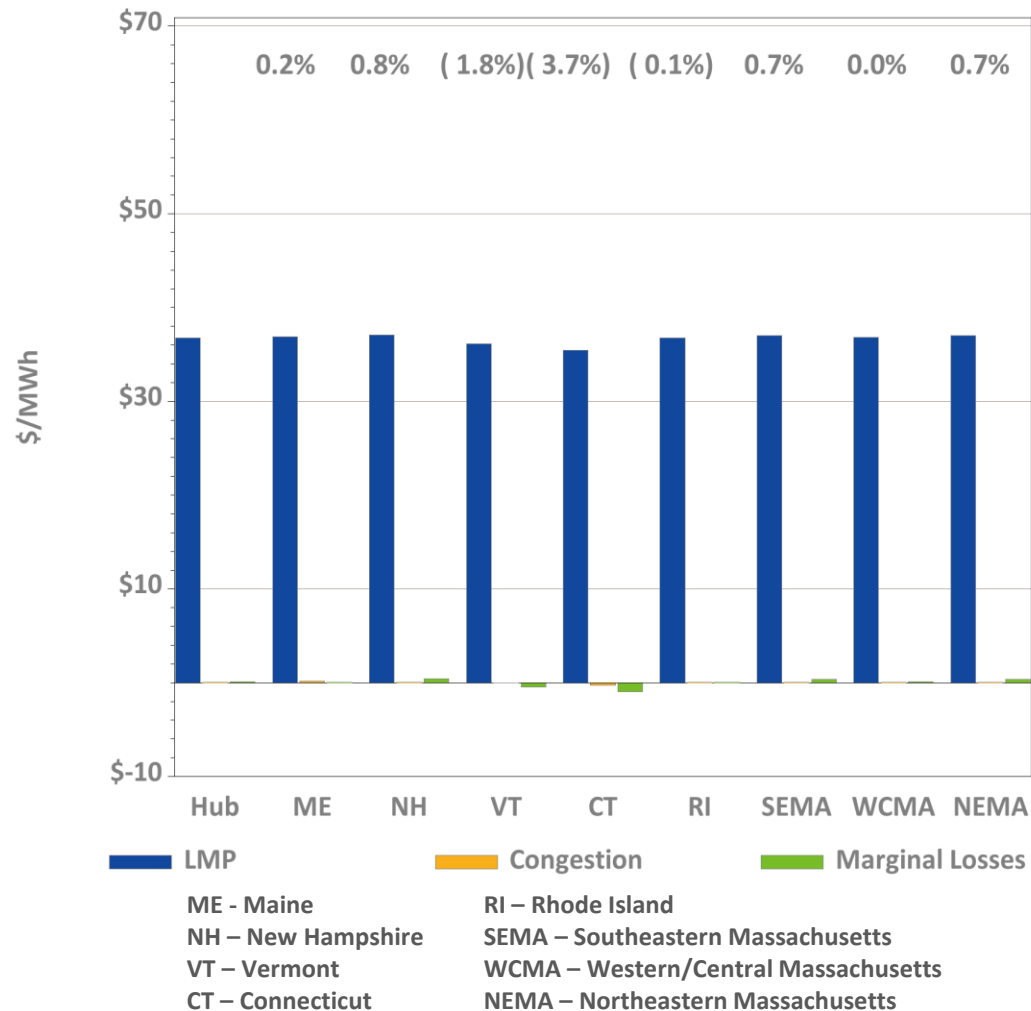


Underlying natural gas data furnished by:

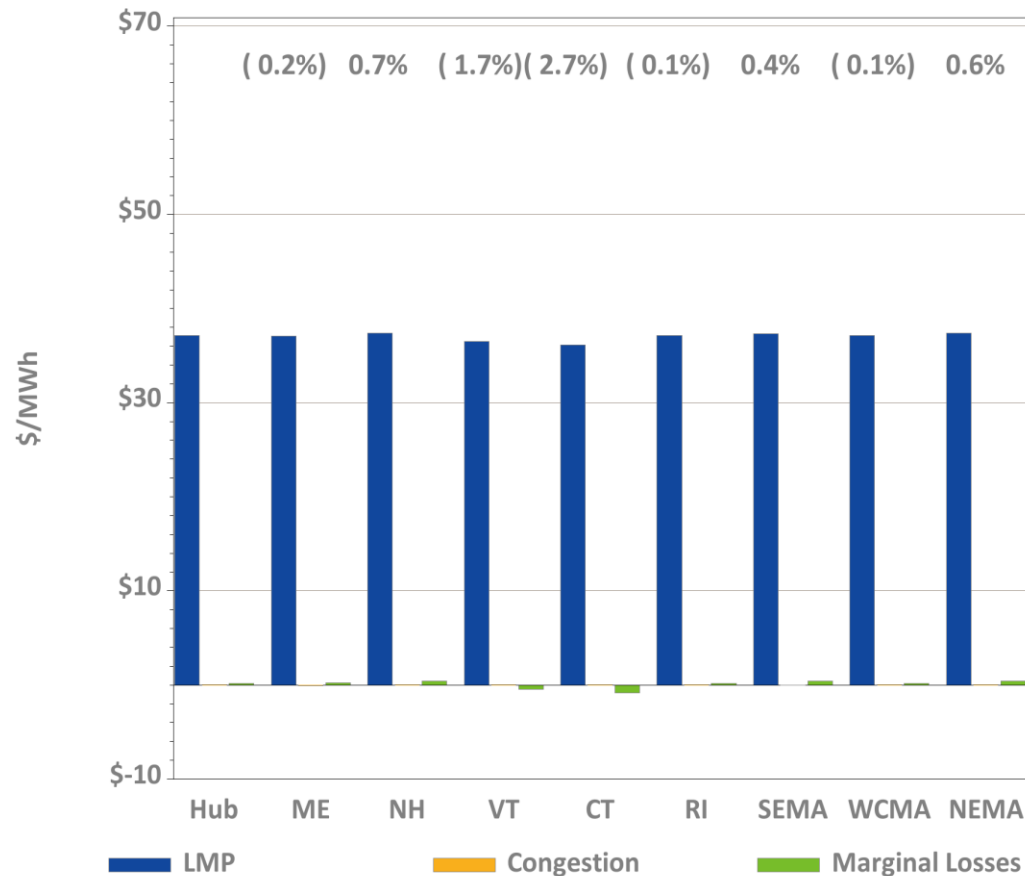


Average price difference over this period (DA-RT): \$-0.38
Average price difference over this period ABS(DA-RT): \$5.52
Average percentage difference over this period ABS(DA-RT)/RT Average LMP: 15%
Gas price is average of Massachusetts delivery points

DA LMPs Average by Zone & Hub, January 2021



RT LMPs Average by Zone & Hub, January 2021



Definitions

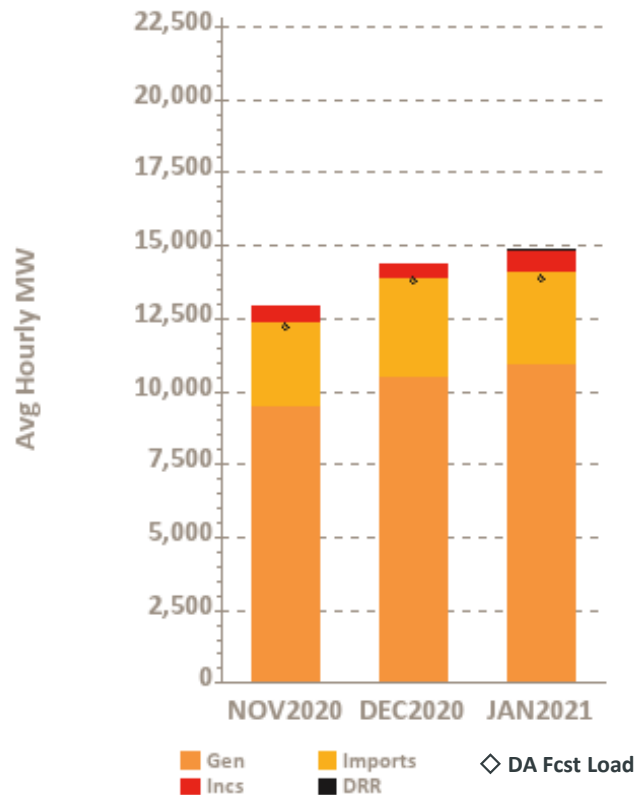
Day-Ahead Concept	Definition
Day-Ahead Load Obligation (DALO)	The sum of day-ahead cleared load (including asset load, pump load, exports, and virtual purchases and excluding modeled transmission losses)
Day-Ahead Cleared Physical Energy	The sum of day-ahead cleared generation and cleared net imports



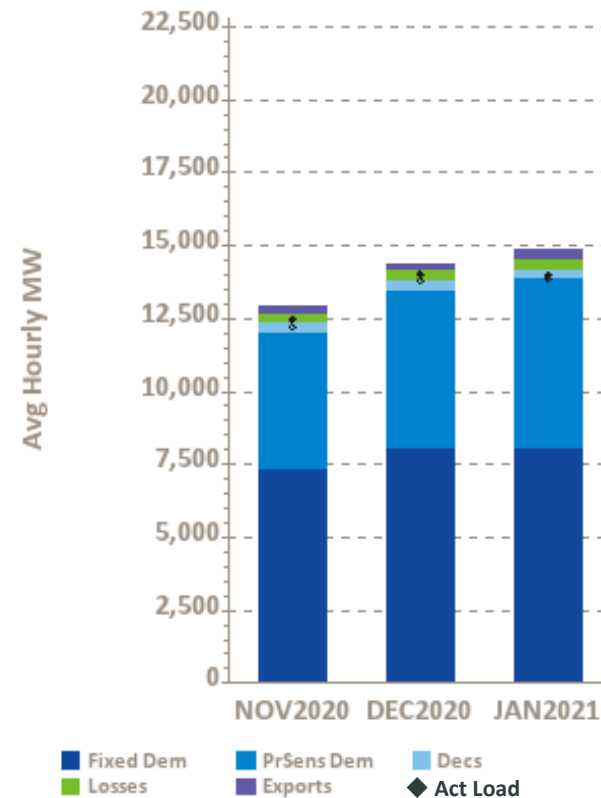
Components of Cleared DA Supply and Demand

– Last Three Months

Supply



Demand

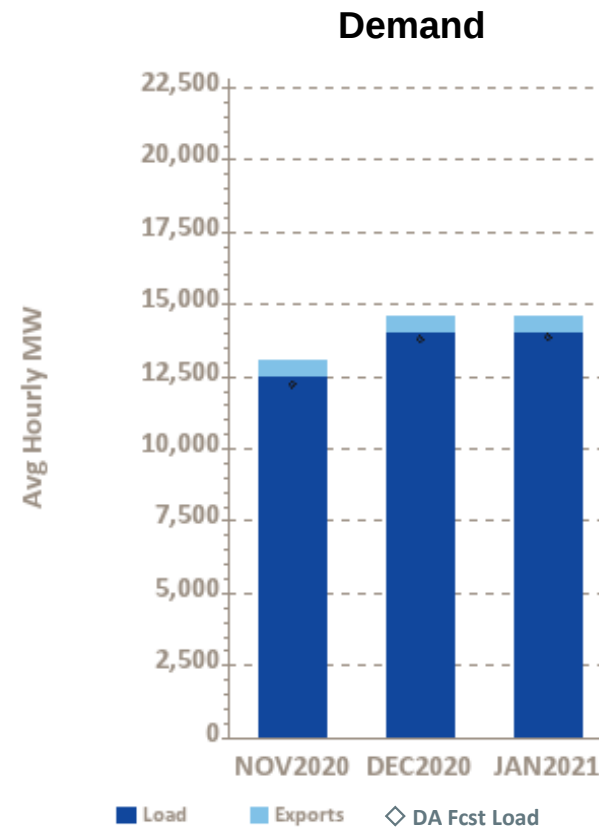
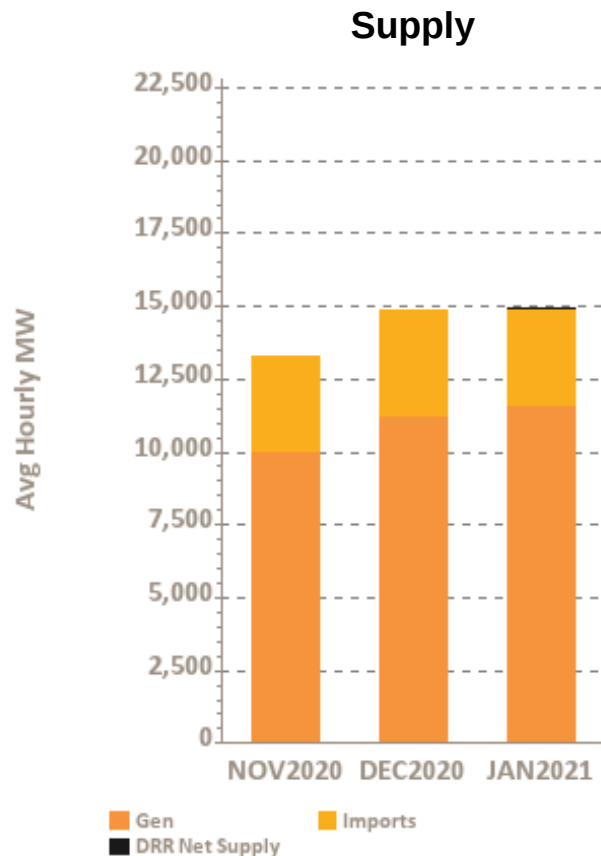


Gen – Generation
 Incs – Increment Offers
 DA Fcst Load – Day-Ahead Forecast Load
 DRR – Demand Response Resource

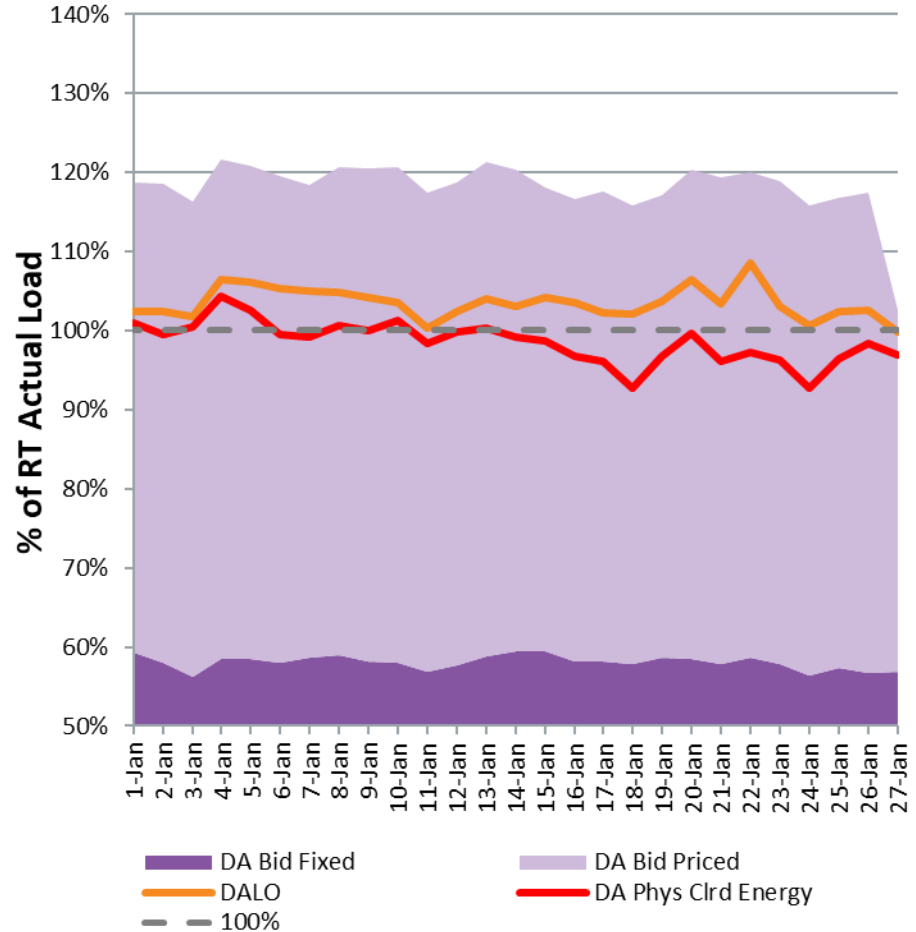
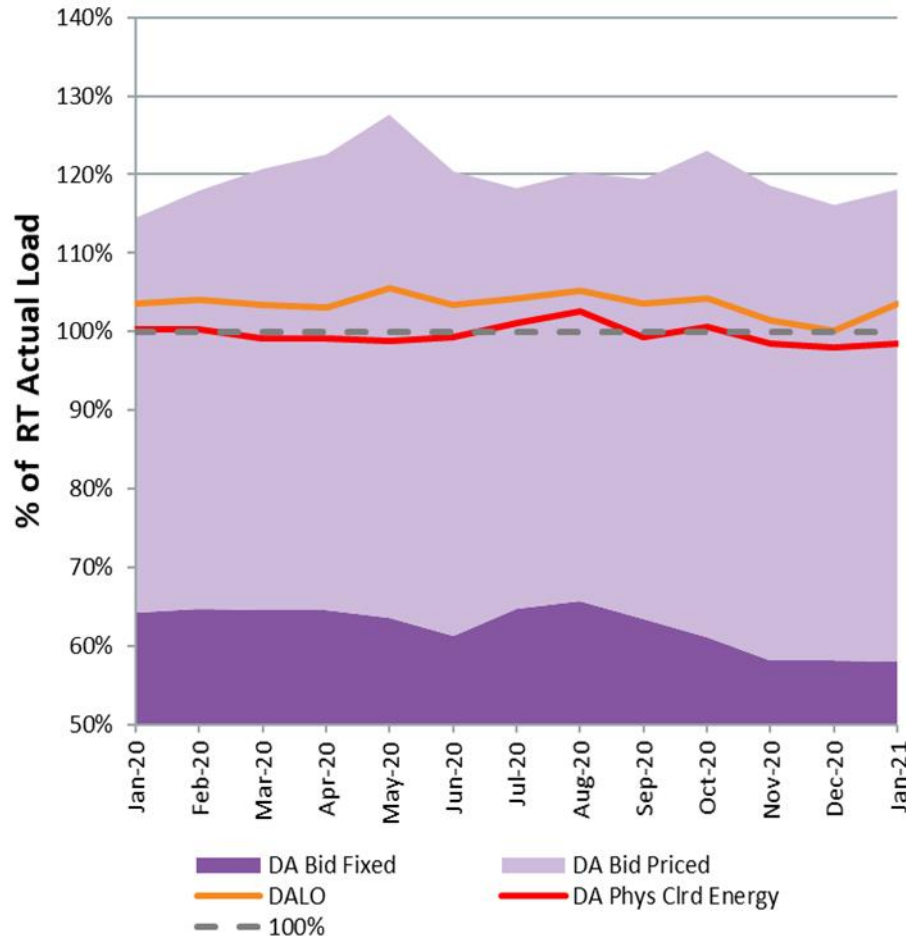
Fixed Dem – Fixed Demand
 PrSens Dem – Price Sensitive Demand
 Decs – Decrement Bids
 Act Load – Actual Load



Components of RT Supply and Demand – Last Three Months



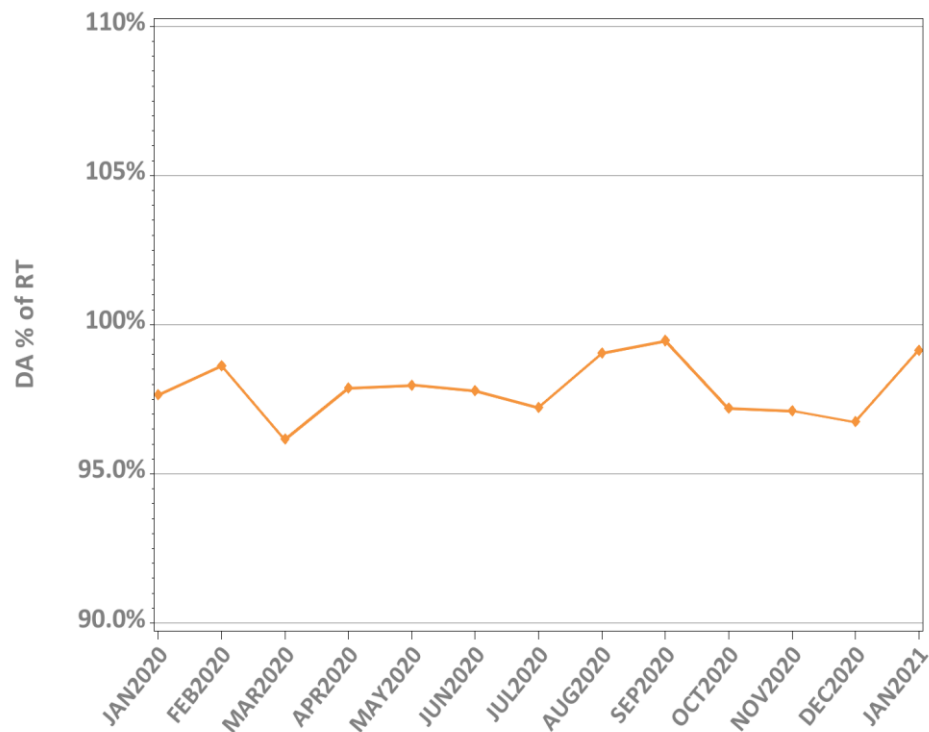
DAM Volumes as % of RT Actual Load (Forecasted Peak Hour)



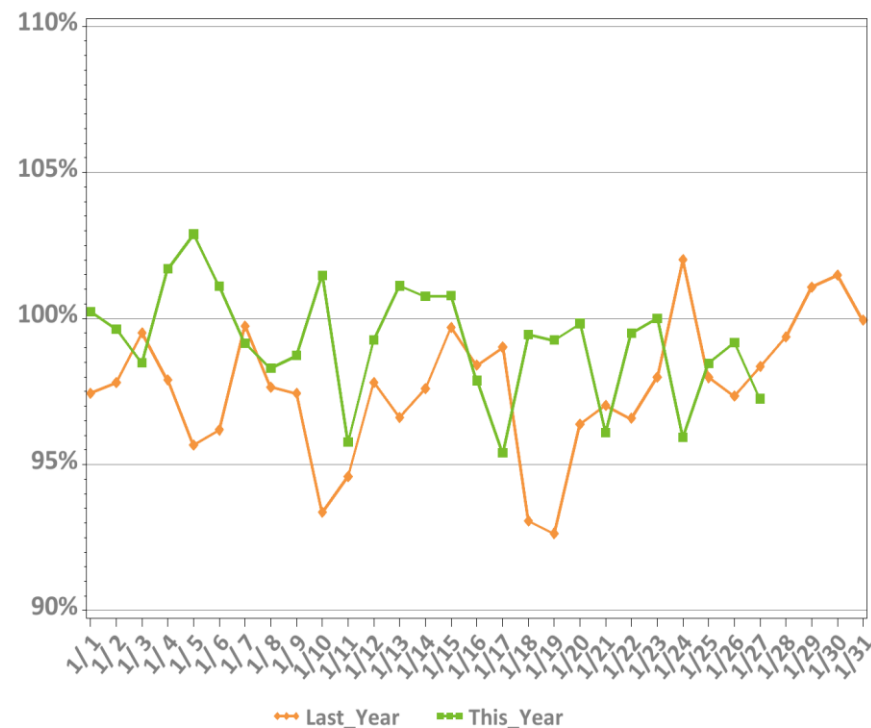
Note: Forecasted peak hour for each day is reflected in the above values. Shown for each day (chart on right) and then averaged for each month (chart on left). 'DA Bid' categories reflect load assets only (Virtual and export bids not reflected.)

DA vs. RT Load Obligation: December, This Year vs. Last Year

Monthly, Last 13 Months



Daily, This Year vs. Last Year

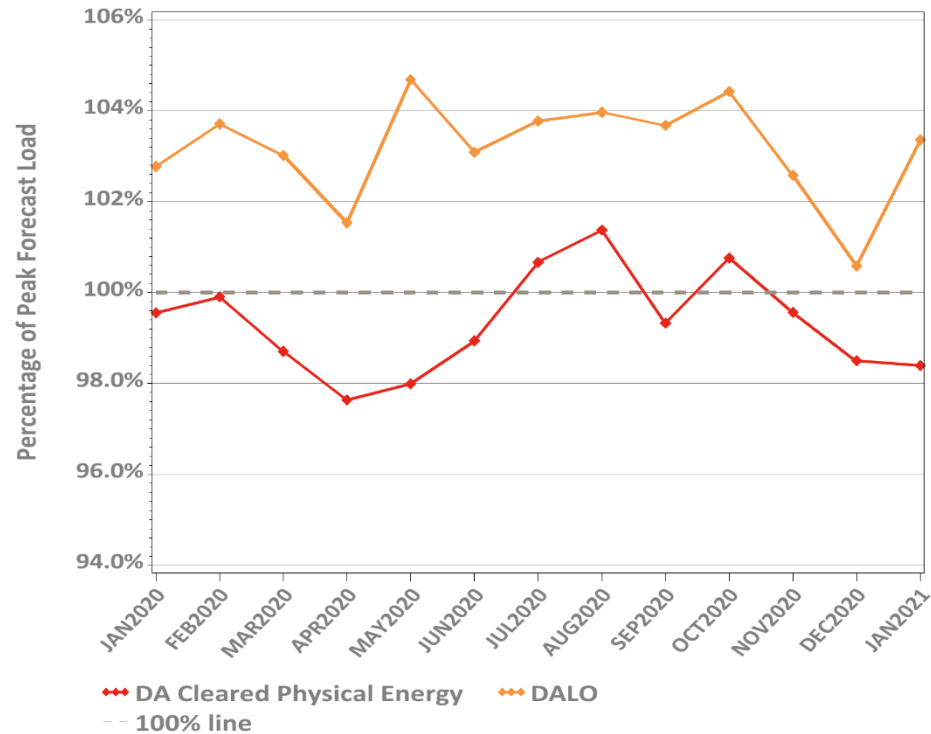


*Hourly average values

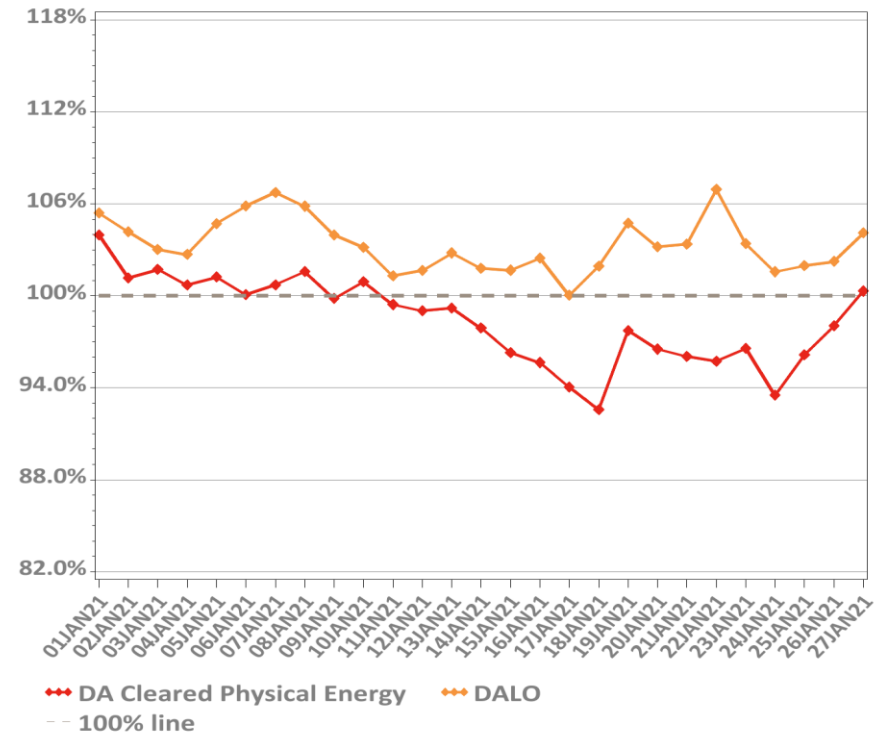


DA Volumes as % of Forecast in Peak Hour

Monthly, Last 13 Months

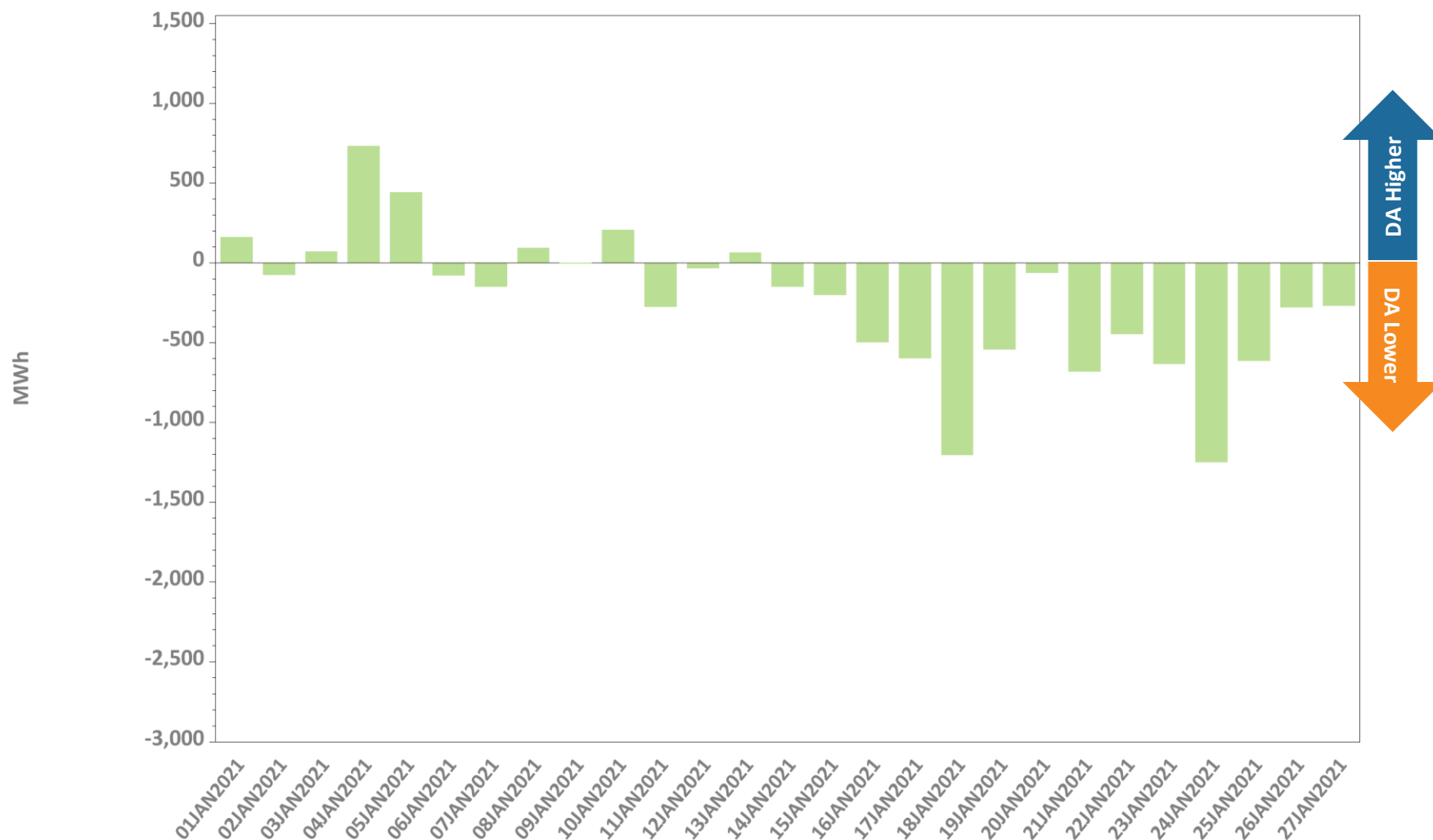


Daily: This Month



Note: There were **three** instances of system-level manual supplemental commitments for capacity required during the Reserve Adequacy Assessment (RAA) during January.

DA Cleared Physical Energy Difference from RT System Load at Peak Hour*

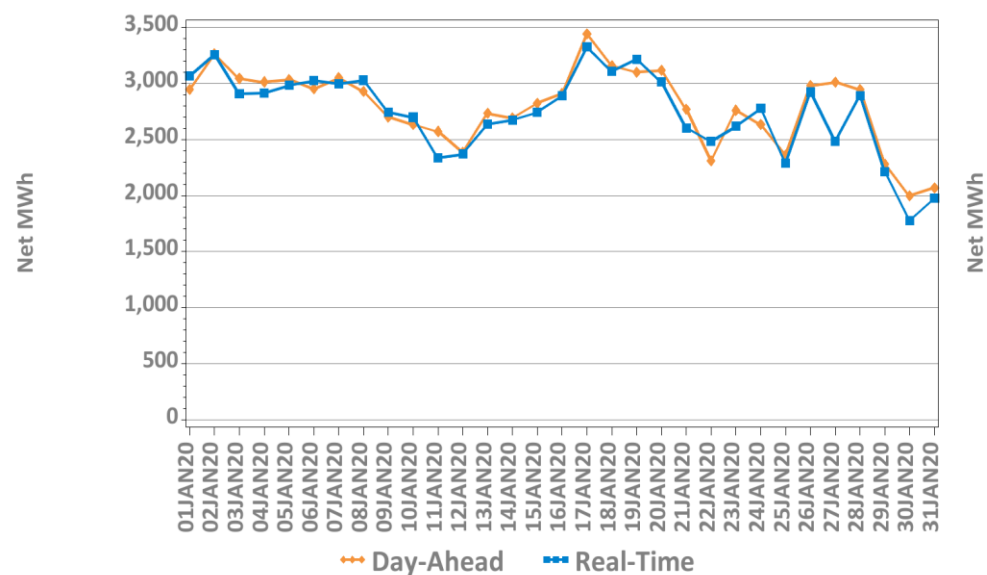


*Negative values indicate DA Cleared Physical Energy value below its RT counterpart. Forecast peak hour reflected.

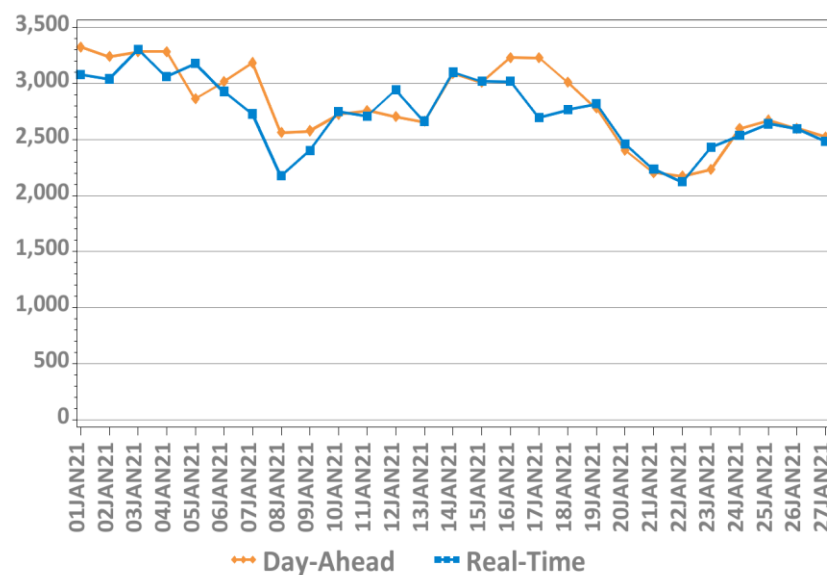
DA vs. RT Net Interchange

January 2020 vs. January 2021

Hourly Average by Day, Last Year



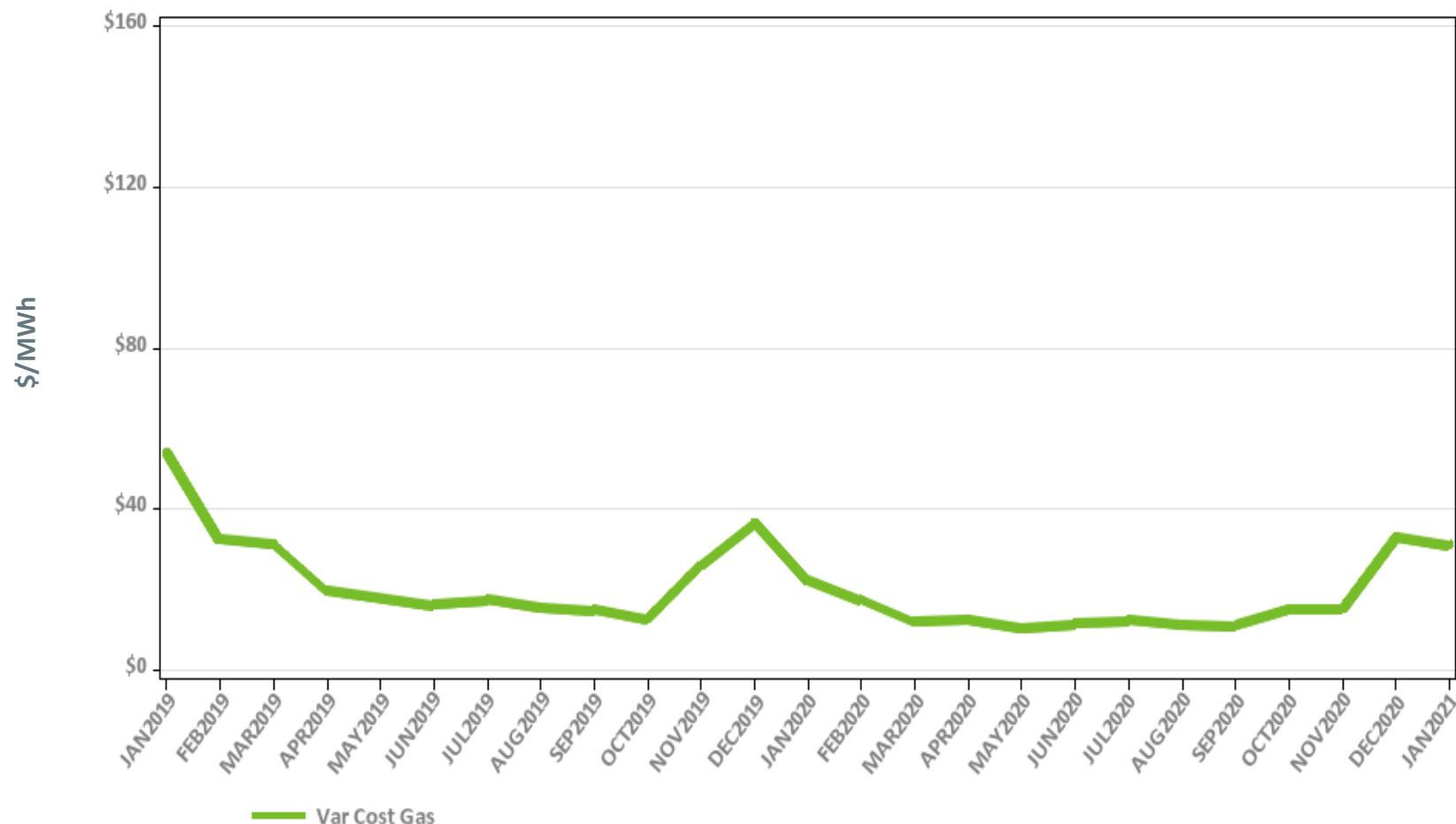
Hourly Average by Day, This Year



Net Interchange is the sum of daily imports minus the sum of daily exports
Positive values are net imports



Variable Production Cost of Natural Gas: Monthly

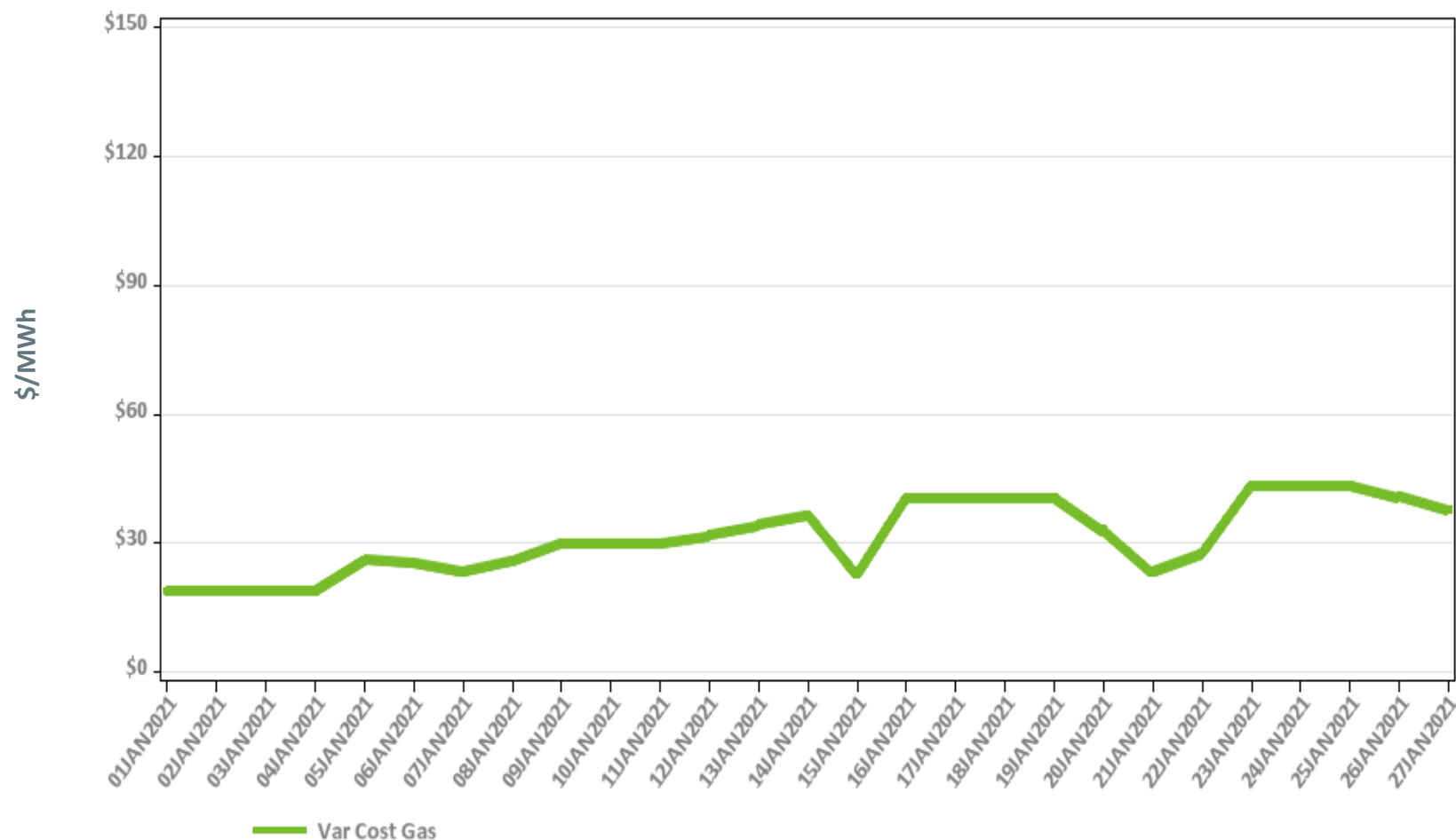


Note: Assumes proxy heat rate of 7,800,000 Btu/MWh for natural gas units.

Underlying natural gas data furnished by:



Variable Production Cost of Natural Gas: Daily



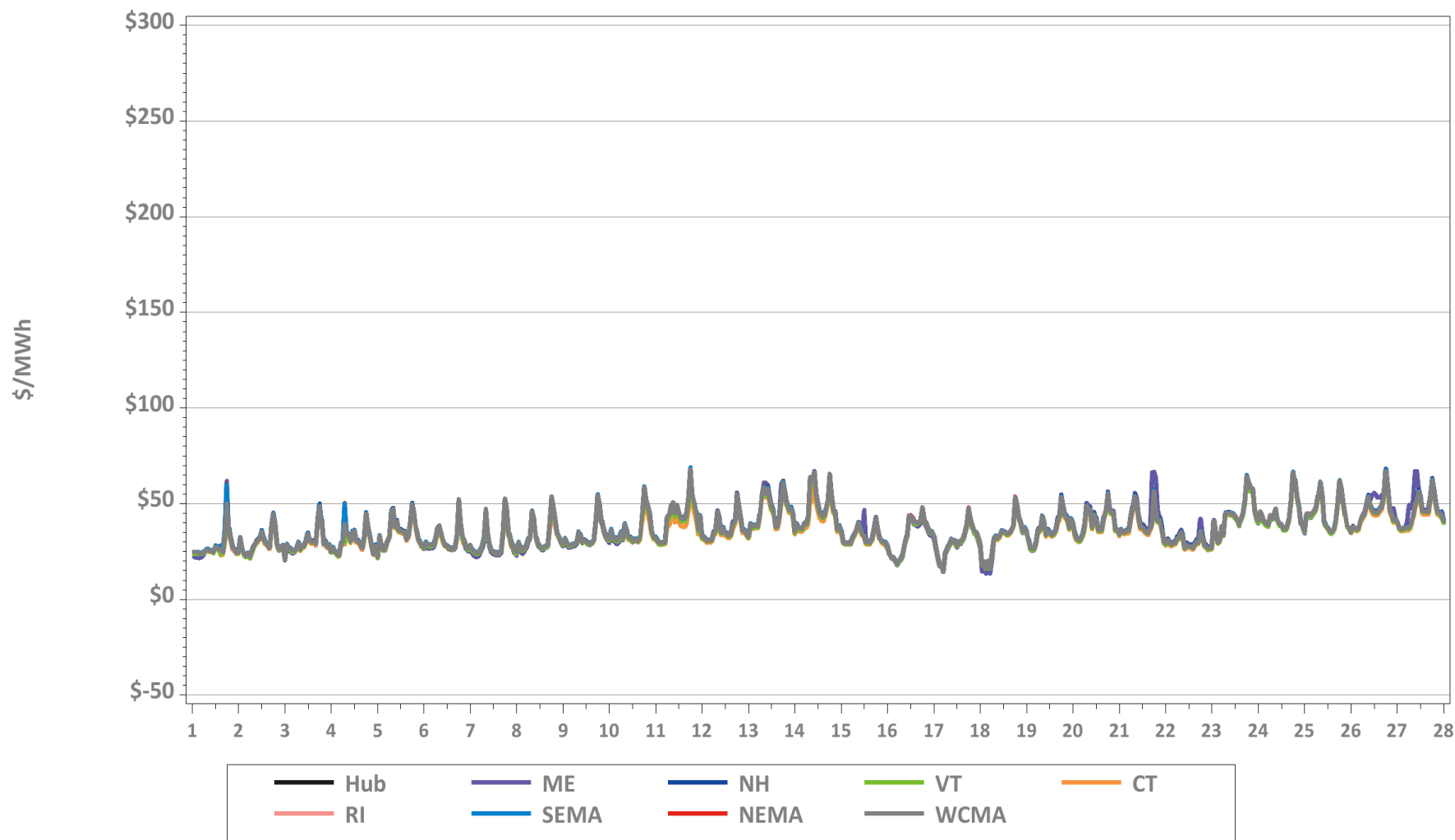
Note: Assumes proxy heat rate of 7,800,000 Btu/MWh for natural gas units.

Underlying natural gas data furnished by:



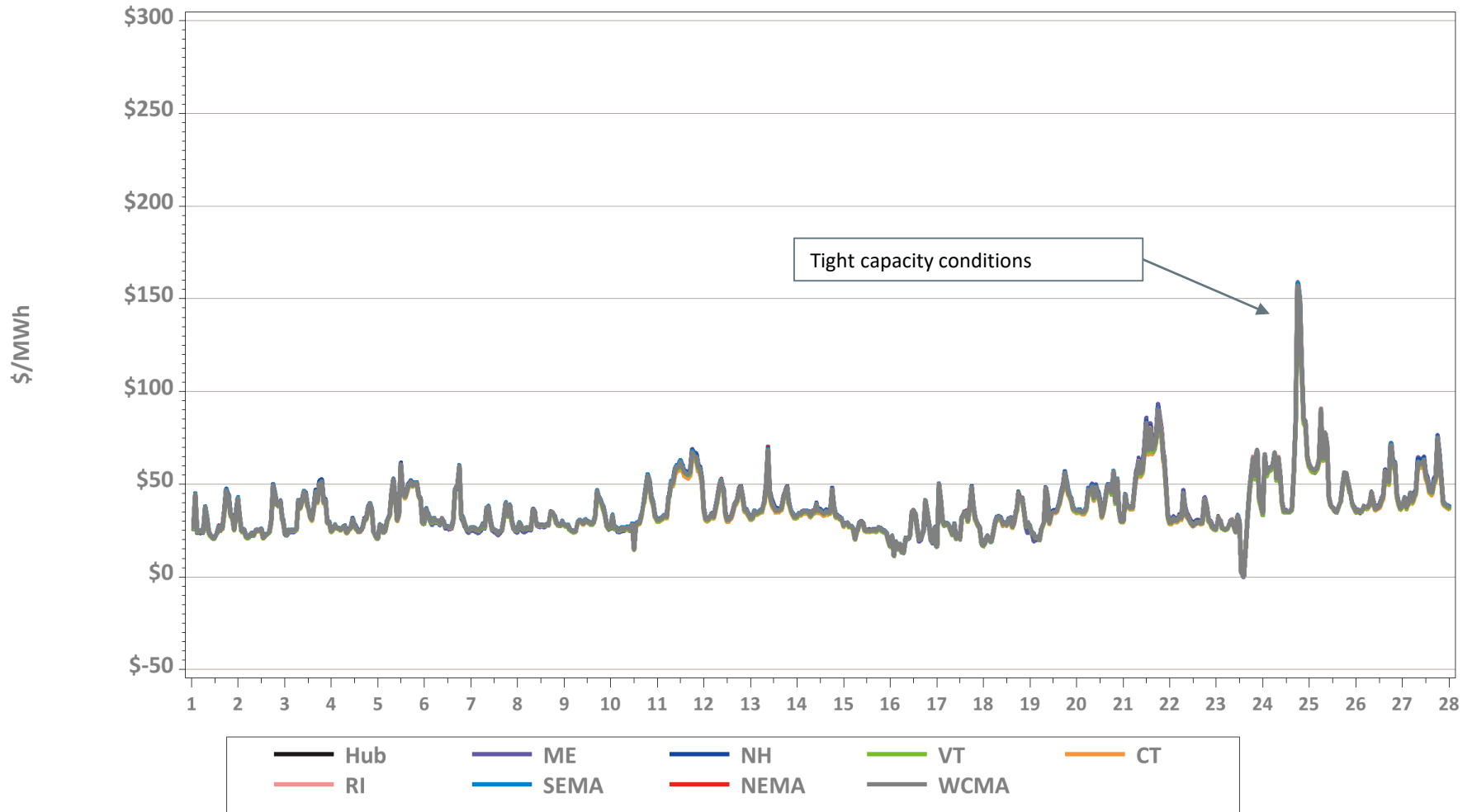
Hourly DA LMPs, January 1-27, 2021

Hourly Day-Ahead LMPs



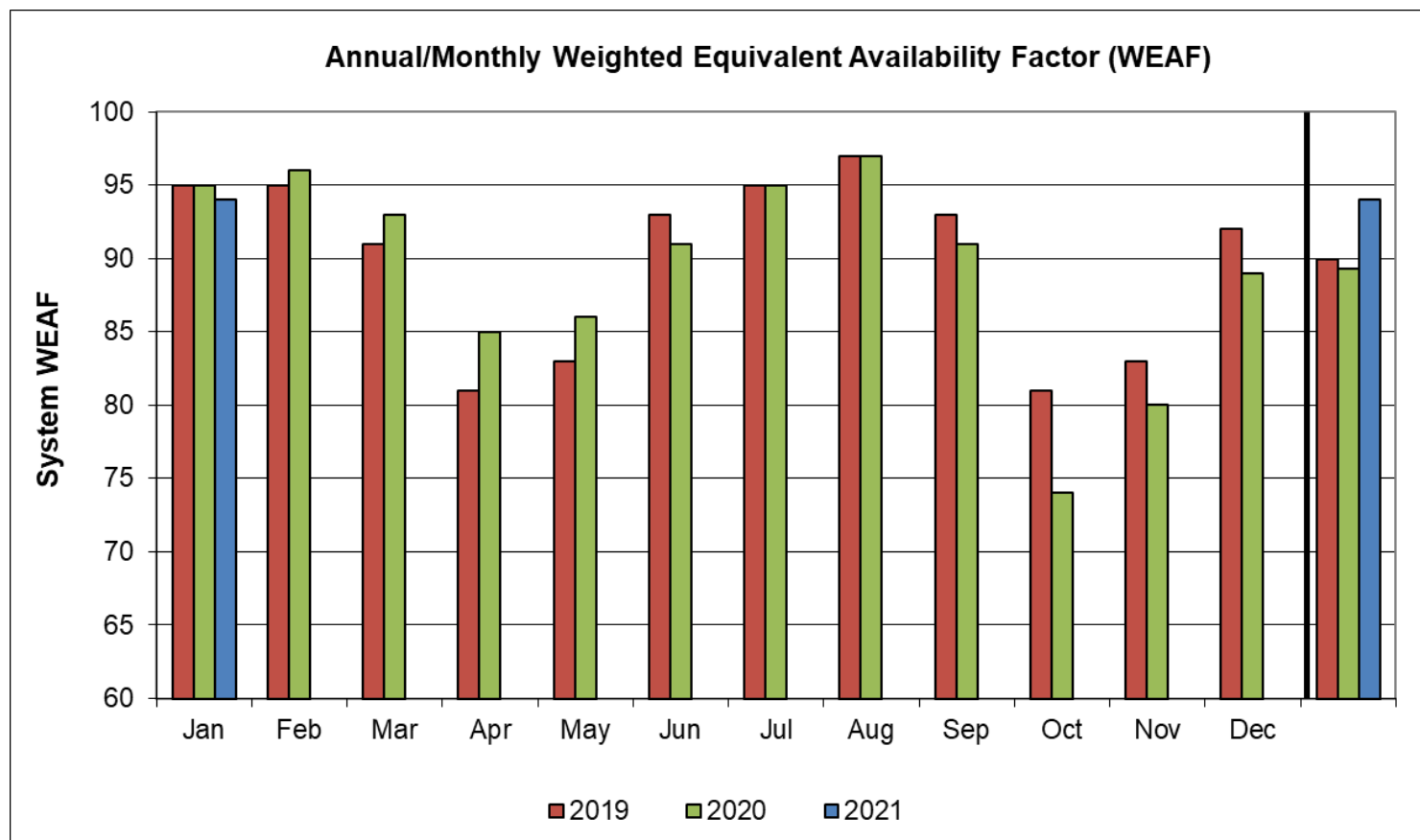
Hourly RT LMPs, January 1-27, 2021

Hourly Real-Time LMPs



• No Minimum Generation Emergencies were declared during January.

System Unit Availability



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	94												94
2020	95	96	93	85	86	91	95	97	91	74	80	89	89
2019	95	95	91	81	83	93	95	97	93	81	83	92	90

Data as of 1/28/2021

BACK-UP DETAIL



DEMAND RESPONSE



Capacity Supply Obligation (CSO) MW by Demand Resource Type for February 2021

Load Zone	ADCR*	On Peak	Seasonal Peak	Total
ME	79.2	142.0	0.0	221.2
NH	36.5	131.3	0.0	167.7
VT	39.5	135.5	0.0	175.0
CT	107.2	100.8	571.4	779.4
RI	33.9	263.5	0.0	297.4
SEMA	40.2	415.2	0.0	455.3
WCMA	66.5	440.9	26.0	533.4
NEMA	58.4	764.7	0.0	823.1
Total	461.3	2,393.8	597.4	3,452.5

* Active Demand Capacity Resources

NOTE: CSO values include T&D loss factor (8%).



NEW GENERATION



New Generation Update

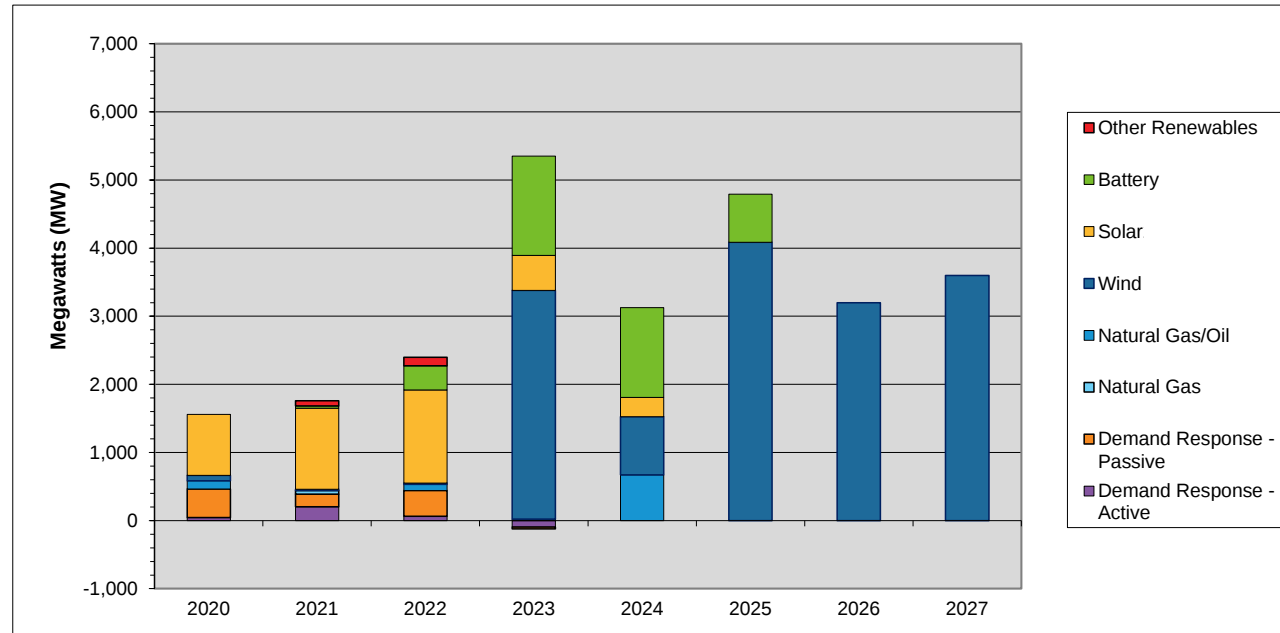
Based on Queue as of 2/1/21

- Three new projects totaling 364 MW applied for interconnection study since the last update
 - They consist of two new battery storage projects and one PV project, with in-service dates in 2022 and 2023
- One project went commercial and five were withdrawn, resulting in a net increase in new generation projects of 199 MW
- In total, 258 generation projects are currently being tracked by the ISO, totaling approximately 24,200 MW



Actual and Projected Annual Capacity Additions

By Supply Fuel Type and Demand Resource Type



	2020	2021	2022	2023	2024	2025	2026	2027	Total MW	% of Total ¹
Other Renewables	0	76	122	0	0	0	0	0	198	0.8
Battery	0	34	358	1,459	1,316	704	0	0	3,871	15.1
Solar ²	894	1,189	1,365	516	285	0	0	0	4,249	16.6
Wind	78	19	20	3,355	852	4,087	3,200	3,600	15,211	59.3
Natural Gas/Oil ³	121	0	89	23	672	0	0	0	905	3.5
Natural Gas	0	53	0	0	0	0	0	0	53	0.2
Demand Response - Passive	422	184	380	-28	0	0	0	0	958	3.7
Demand Response - Active	42	204	62	-94	0	0	0	0	214	0.8
Totals	1,558	1,759	2,396	5,231	3,125	4,791	3,200	3,600	25,660	100.0

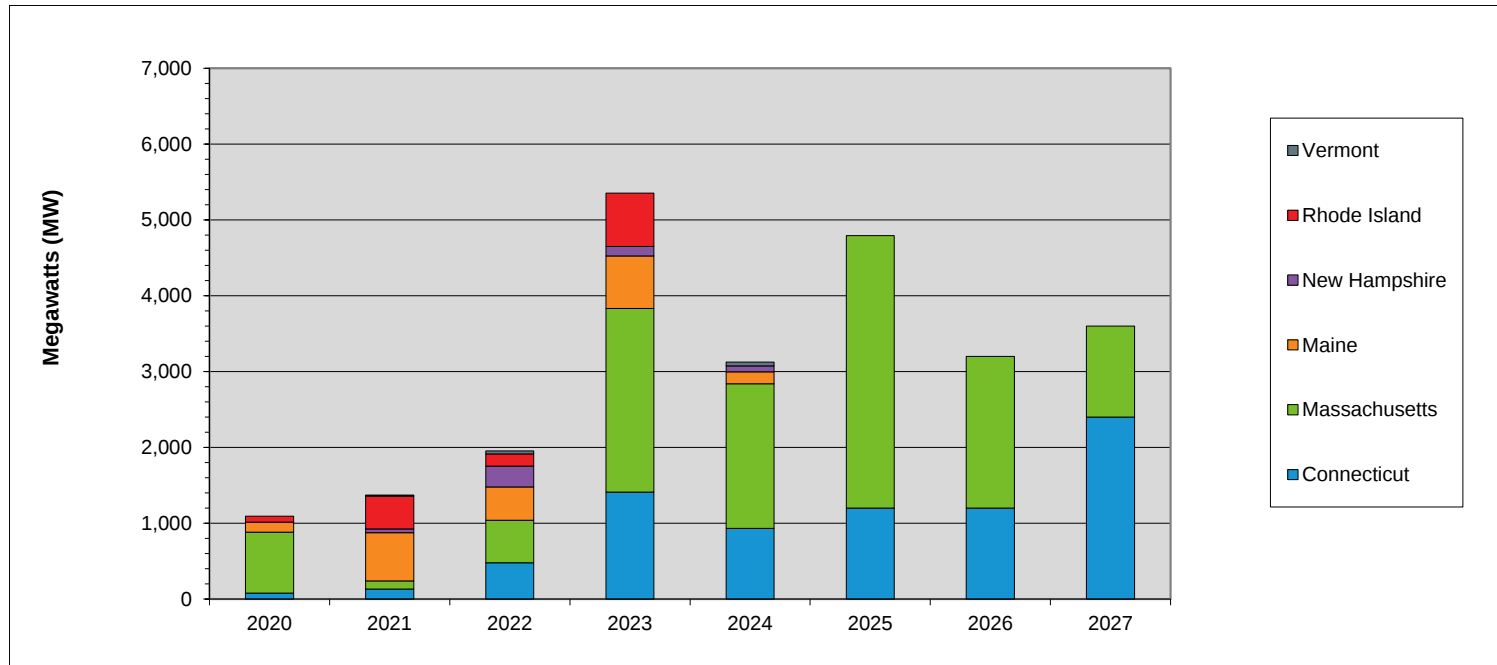
¹ Sum may not equal 100% due to rounding

² This category includes both solar-only, and co-located solar and battery projects

³ The projects in this category are dual fuel, with either gas or oil as the primary fuel

- 2020 values include the 274 MW of generation that went commercial in 2020
- DR reflects changes from the initial FCM Capacity Supply Obligations in 2010-11

Actual and Projected Annual Generator Capacity Additions By State



	2020	2021	2022	2023	2024	2025	2026	2027	Total MW	% of Total ¹
Vermont	0	15	40	0	50	0	0	0	105	0.4
Rhode Island	78	433	160	704	0	0	0	0	1,375	5.6
New Hampshire	0	50	276	126	80	0	0	0	532	2.2
Maine	133	635	440	691	156	0	0	0	2,055	8.4
Massachusetts	802	105	560	2,420	1,907	3,591	2,000	1,200	12,585	51.4
Connecticut	80	133	478	1,412	932	1,200	1,200	2,400	7,835	32.0
Totals	1,093	1,371	1,954	5,353	3,125	4,791	3,200	3,600	24,487	100.0

¹ Sum may not equal 100% due to rounding

- 2020 values include the 274 MW of generation that went commercial in 2020



New Generation Projection

By Fuel Type

Unit Type	Total		Green		Yellow	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Biomass/Wood Waste	1	8	1	8	0	0
Battery Storage	21	3,871	0	0	21	3,871
Fuel Cell	4	54	1	10	3	44
Hydro	3	99	2	71	1	28
Natural Gas	5	53	0	0	5	53
Natural Gas/Oil	7	860	1	14	6	846
Nuclear	1	37	0	0	1	37
Solar	194	4,098	10	158	184	3,940
Wind	22	15,133	1	15	21	15,118
Total	258	24,213	16	276	242	23,937

- Projects in the Natural Gas/Oil category may have either gas or oil as the primary fuel
- Green denotes projects with a high probability of going into service
- Yellow denotes projects with a lower probability of going into service or new applications

New Generation Projection

By Operating Type

Operating Type	Total		Green		Yellow	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Baseload	8	132	3	23	5	109
Intermediate	9	822	1	14	8	808
Peaker	219	8,126	11	224	208	7,902
Wind Turbine	22	15,133	1	15	21	15,118
Total	258	24,213	16	276	242	23,937

- Green denotes projects with a high probability of going into service
- Yellow denotes projects with a lower probability of going into service or new applications

New Generation Projection

By Operating Type and Fuel Type

Unit Type	Total		Baseload		Intermediate		Peaker		Wind Turbine	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Biomass/Wood Waste	1	8	1	8	0	0	0	0	0	0
Battery Storage	21	3,871	0	0	0	0	21	3,871	0	0
Fuel Cell	4	54	4	54	0	0	0	0	0	0
Hydro	3	99	2	33	0	0	1	66	0	0
Natural Gas	5	53	0	0	4	47	1	6	0	0
Natural Gas/Oil	7	860	0	0	5	775	2	85	0	0
Nuclear	1	37	1	37	0	0	0	0	0	0
Solar	194	4,098	0	0	0	0	194	4,098	0	0
Wind	22	15,133	0	0	0	0	0	0	22	15,133
Total	258	24,213	8	132	9	822	219	8,126	22	15,133

- Projects in the Natural Gas/Oil category may have either gas or oil as the primary fuel

FORWARD CAPACITY MARKET



Capacity Supply Obligation FCA 11

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	419.928	441.221	21.293	594.551	153.33	584.35	-10.201
	Passive Demand	2,791.02	2,835.354	44.334	2,883.767	48.413	2,964.695	80.928
Demand Total		3,210.95	3,276.575	65.625	3,478.318	201.743	3,549.045	70.727
Generator	Non-Intermittent	30,494.80	30,064.23	-430.569	30,159.891	95.661	2,9678.995	-480.896
	Intermittent	894.217	823.796	-70.421	809.571	-14.225	689.524	-120.047
Generator Total		31,389.02	30,888.027	-500.993	30,969.462	81.435	30,368.519	-600.943
Import Total		1,235.40	1,622.037	386.637	1,609.844	-12.193	1,124.6	-485.244
Grand Total*		35,835.37	35,786.64	-48.731	36,057.624	270.984	35,042.164	-1015.46
Net ICR (NICR)		34,075	33,660	-415	33,520	-140	32,205	-1,315

* Grand Total reflects both CSO Grand Total and the net total of the Change Column.

Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond bilaterals and reconfiguration auction may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2015-2020 CCP Monthly Capacity Supply Obligation Changes report on the ISO New England website.

Capacity Supply Obligation FCA 12

Resource Type	Resource Type					ARA 2		ARA 3	
		CSO	CSO	Change		CSO	Change	CSO	Change
		MW	MW	MW		MW	MW	MW	MW
Demand	Active Demand	624.445	659.137	34.692		603.776	-55.361		
	Passive Demand	2,975.36	3,045.073	69.713		31,23.232	78.159		
Demand Total		3,599.81	3,704.21	104.4		37,27.008	22.798		
Generator	Non-Intermittent	29,130.75	29,244.404	113.654		28,620.245	-624.159		
	Intermittent	880.317	806.609	-73.708		660.932	-145.677		
Generator Total		30,011.07	30,051.013	39.943		29,281.177	-769.836		
Import Total		1,217	1,305.487	88.487		1,307.587	2.10		
Grand Total*		34,827.88	35,060.710	232.83		34,315.772	-744.94		
Net ICR (NICR)		33,725	33,550	-175		32,320	-230		

* Grand Total reflects both CSO Grand Total and the net total of the Change Column

Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond bilaterals and reconfiguration auction may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2015-2020 CCP Monthly Capacity Supply Obligation Changes report on the ISO New England website.

Capacity Supply Obligation FCA 13

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	685.554	683.116	-2.438				
	Passive Demand	3,354.69	3,407.507	52.817				
Demand Total		4,040.244	4,090.623	50.38				
Generator	Non-Intermittent	28,586.498	27,868.341	-718.157				
	Intermittent	1,024.792	901.672	-123.12				
Generator Total		2,9611.29	28,770.013	-841.28				
Import Total		1,187.69	1,292.41	104.72				
Grand Total*		34,839.224	34,153.046	-686.18				
Net ICR (NICR)		33,750	32,465	-1,285				

* Grand Total reflects both CSO Grand Total and the net total of the Change Column

Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond bilaterals and reconfiguration auction may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2015-2020 CCP Monthly Capacity Supply Obligation Changes report on the ISO New England website.

Capacity Supply Obligation FCA 14

Resource Type	Resource Type	FCA	ARA 1		ARA 2		ARA 3	
		CSO	CSO	Change	CSO	Change	CSO	Change
		MW	MW	MW	MW	MW	MW	MW
Demand	Active Demand	592.043						
	Passive Demand	3,327.071						
Demand Total		3,919.114						
Generator	Non-Intermittent	27,816.902						
	Intermittent	1,160.916						
Generator Total		28,977.818						
Import Total		1,058.72						
Grand Total*		33,955.652						
Net ICR (NICR)		32,490						

* Grand Total reflects both CSO Grand Total and the net total of the Change Column

Note: A resource's CSO may change for a variety of reasons outside ISO-NE administered trading windows. Reasons for CSO changes beyond bilaterals and reconfiguration auction may include terminations or recent declaration of commercial operation. Details of the changes that occurred due to non-annual event purposes are contained in the 2015-2020 CCP Monthly Capacity Supply Obligation Changes report on the ISO New England website.

Active/Passive Demand Response

CSO Totals by Commitment Period

Commitment Period	Active/Passive	Existing	New	Grand Total
2019-20	Active	357.221	20.304	377.525
	Passive	2,018.20	350.43	2,368.63
	Grand Total	2375.422	370.734	2746.156
2020-21	Active	334.634	85.294	419.928
	Passive	2,236.73	554.292	2,791.02
	Grand Total	2571.361	639.586	3210.947
2021-22	Active	480.941	143.504	624.445
	Passive	2,604.79	370.568	2,975.36
	Grand Total	3085.734	514.072	3599.806
2022-23	Active	598.376	87.178	685.554
	Passive	2,788.33	566.363	3,354.69
	Grand Total	3386.703	653.541	4040.244
2023-24	Active	560.55	31.493	592.043
	Passive	3,035.51	291.565	3,327.07
	Grand Total	3596.056	323.058	3919.114

RELIABILITY COSTS – NET COMMITMENT PERIOD COMPENSATION (NCPC) OPERATING COSTS



What are Daily NCPC Payments?

- Payments made to resources whose commitment and dispatch by ISO-NE resulted in a shortfall between the resource's offered value in the Energy and Regulation Markets and the revenue earned from output during the day
- Typically, this is the result of some out-of-merit operation of resources occurring in order to protect the overall resource adequacy and transmission security of specific locations or of the entire control area
- NCPC payments are intended to make a resource that follows the ISO's operating instructions "no worse off" financially than the best alternative generation schedule



Definitions

1 st Contingency NCPC Payments	Reliability costs paid to eligible resources that are providing first contingency (1stC) protection (including low voltage, system operating reserve, and load serving) either system-wide or locally
2 nd Contingency NCPC Payments	Reliability costs paid to resources providing capacity in constrained areas to respond to a local second contingency. They are committed based on 2 nd Contingency (2ndC) protocols, and are also known as Local Second Contingency Protection Resources (LSCPR)
Voltage NCPC Payments	Reliability costs paid to resources operated by ISO-NE to provide voltage support or control in specific locations
Distribution NCPC Payments	Reliability costs paid to units dispatched at the request of local transmission providers for purpose of managing constraints on the low voltage (distribution) system. These requirements are not modeled in the DA Market software
OATT	Open Access Transmission Tariff

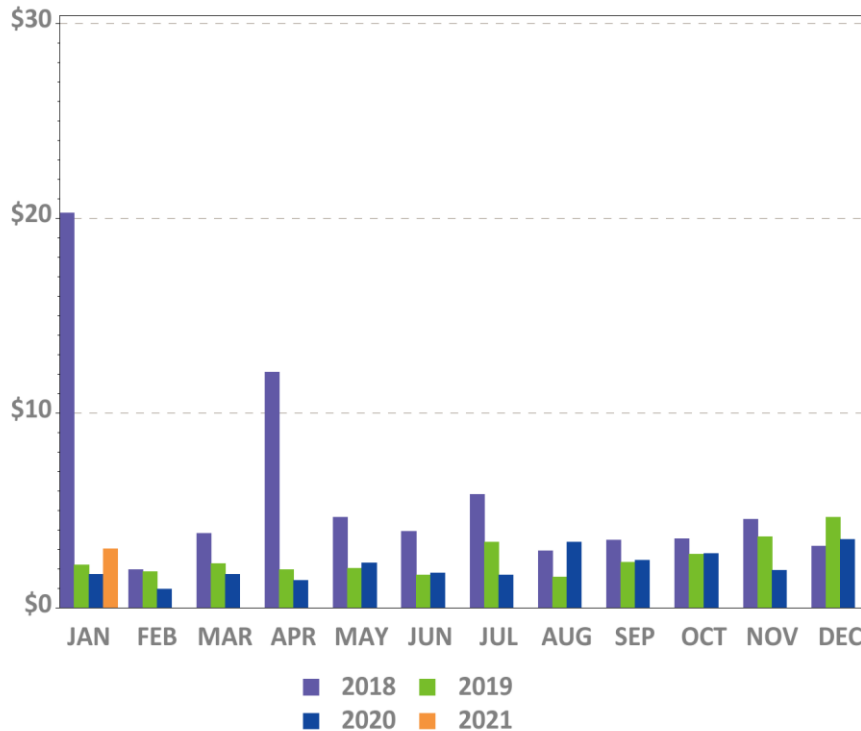


Charge Allocation Key

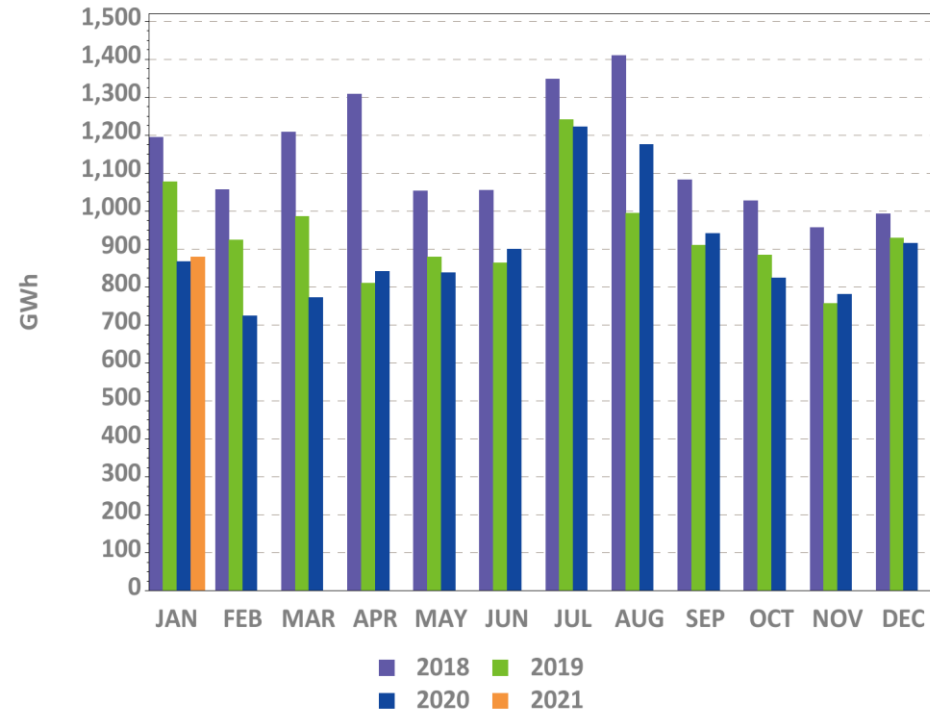
Allocation Category	Market / OATT	Allocation
System 1 st Contingency	Market	DA 1 st C (excluding at external nodes) is allocated to system DALO. RT 1 st C (at all locations) is allocated to System 'Daily Deviations'. Daily Deviations = sum of(generator deviations, load deviations, generation obligation deviations at external nodes, increment offer deviations)
External DA 1 st Contingency	Market	DA 1 st C at external nodes (from imports, exports, Incs and Decs) are allocated to activity at the specific external node or interface involved
Zonal 2 nd Contingency	Market	DA and RT 2 nd C NCPC are allocated to load obligation in the Reliability Region (zone) served
System Low Voltage	OATT	(Low) Voltage Support NCPC is allocated to system Regional Network Load and Open Access Same-Time Information Service (OASIS) reservations
Zonal High Voltage	OATT	High Voltage Control NCPC is allocated to zonal Regional Network Load
Distribution - PTO	OATT	Distribution NCPC is allocated to the specific Participant Transmission Owner (PTO) requesting the service
System – Other	Market	Includes GPA, Economic Generator/DARD Posturing, Dispatch Lost Opportunity Cost (DLOC), and Rapid Response Pricing (RRP) Opportunity Cost NCPC (allocated to RTLO); and Min Generation Emergency NCPC (allocated to RTGO).

Year-Over-Year Total NCPC Dollars and Energy

NCPC Dollars



NCPC Energy*

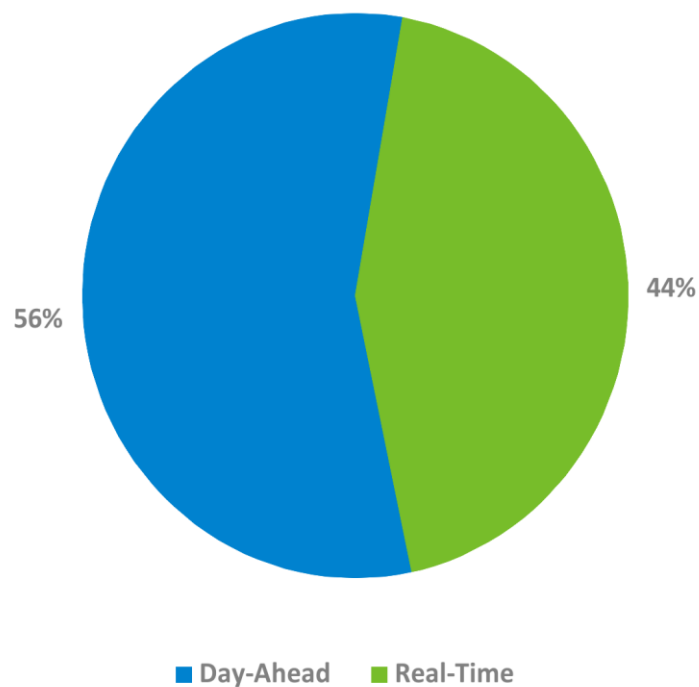


* NCPC Energy GWh reflect the DA and/or RT economic minimum loadings of all units receiving DA or RT NCPC credits (except for DLOC, RRP, or posturing NCPC), assessed during hours in which they are NCPC-eligible. Scheduled MW for external transactions receiving NCPC are also reflected. All NCPC components (1st Contingency, 2nd Contingency, Voltage, and RT Distribution) are reflected.

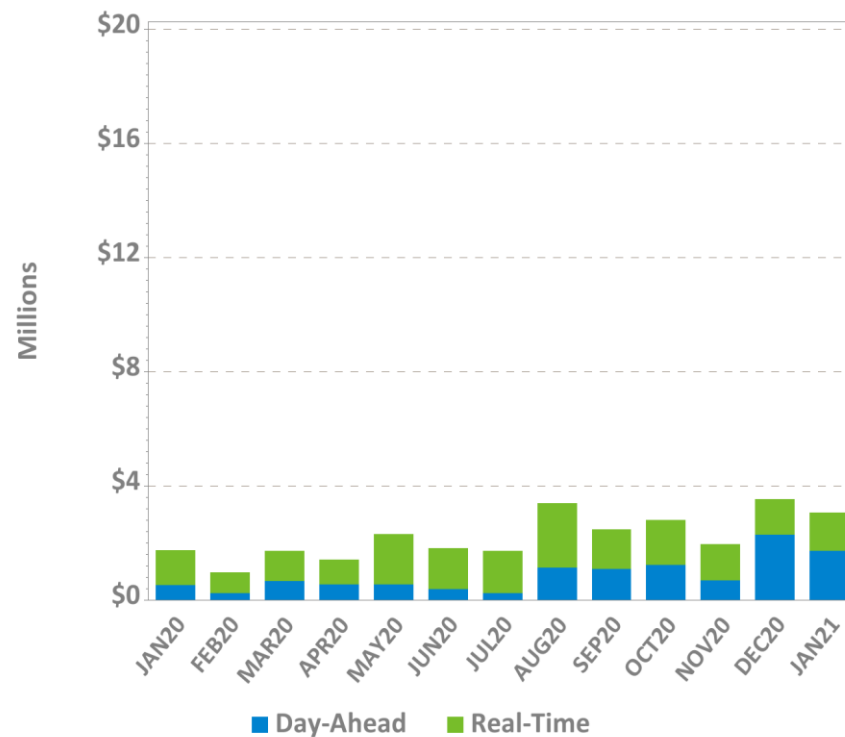


DA and RT NCPC Charges

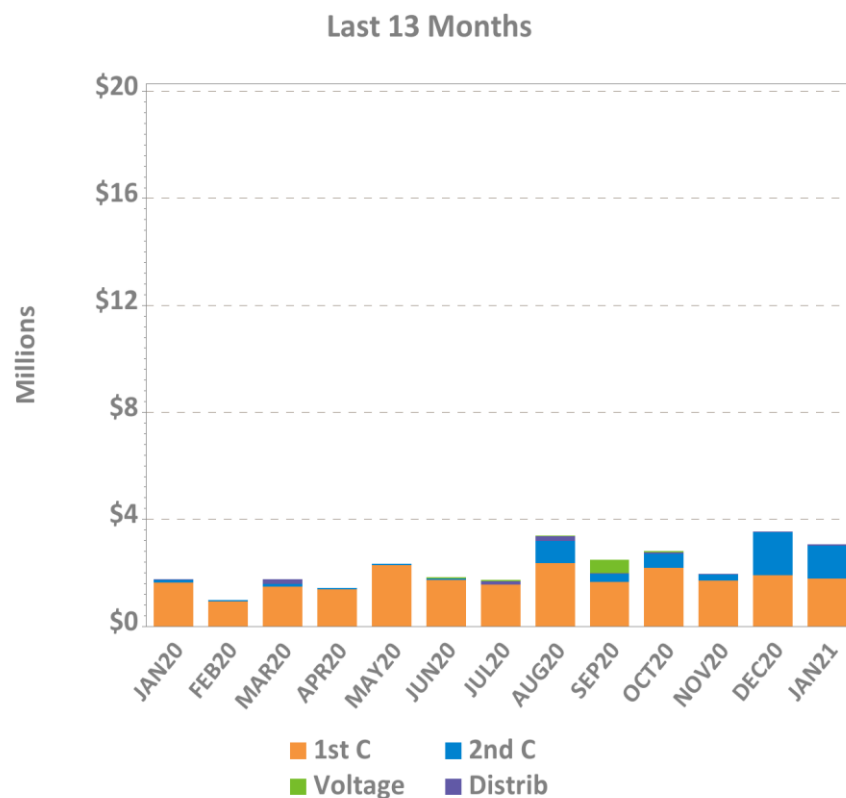
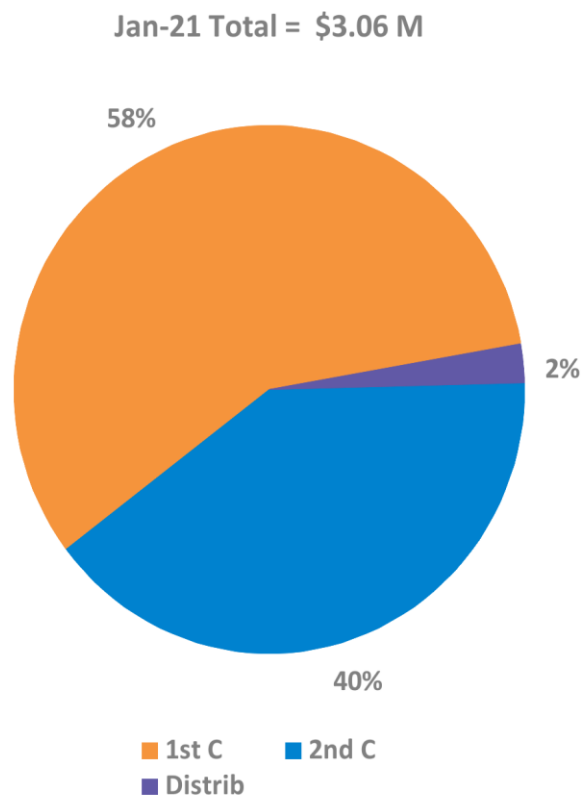
Jan-21 Total = \$3.06 M



Last 13 Months



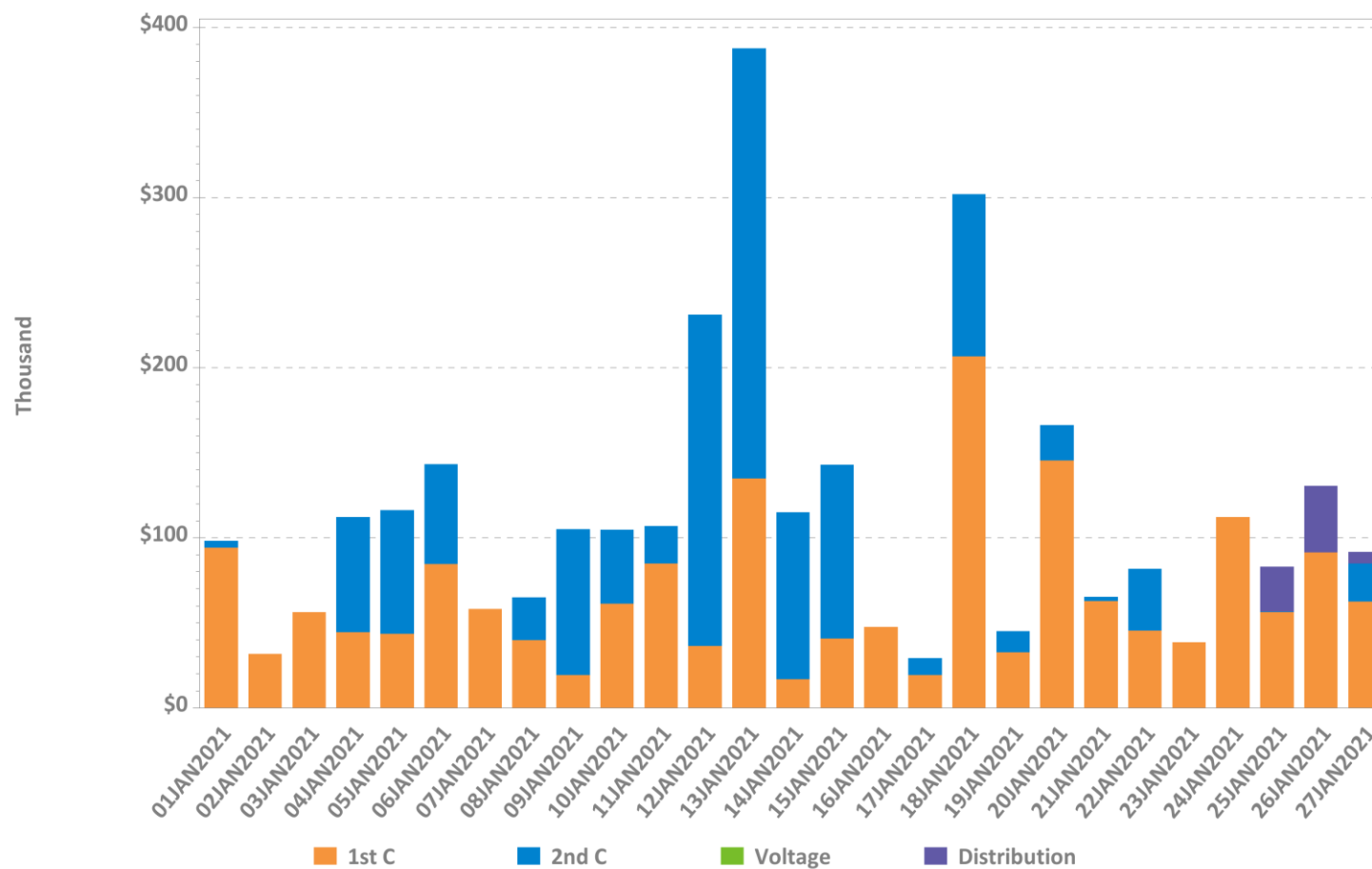
NCPC Charges by Type



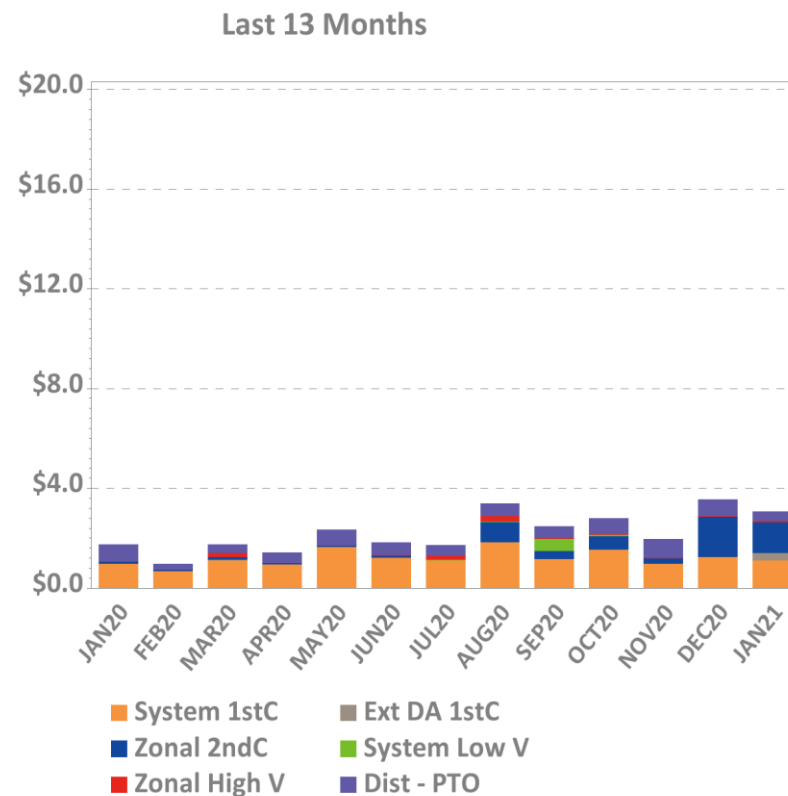
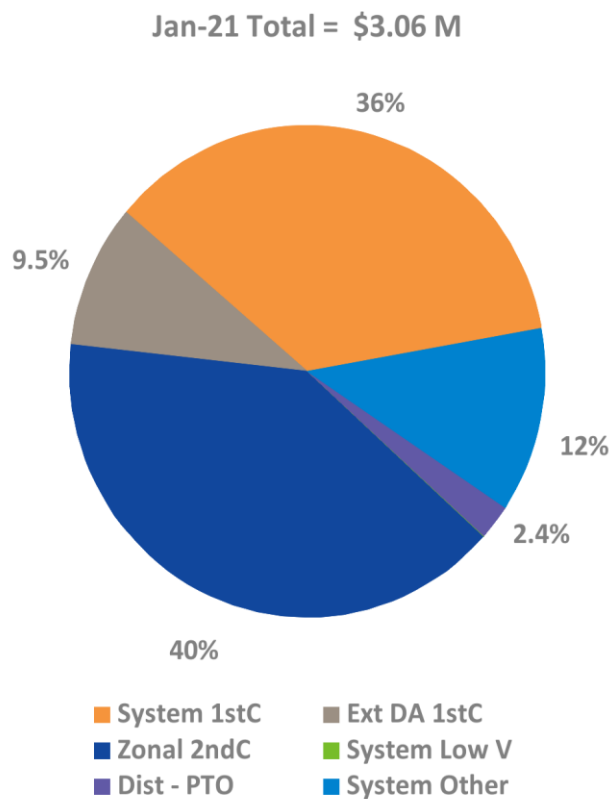
1st C – First Contingency
2nd C – Second Contingency
Distrib – Distribution
Voltage – Voltage



Daily NCPC Charges by Type



NCPC Charges by Allocation

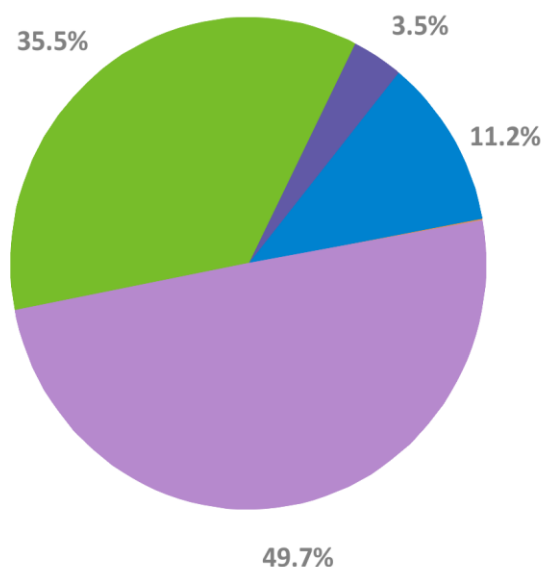


Note: 'System Other' includes, as applicable: Resource Economic Posturing, GPA, Min Gen Emergency, Dispatch Lost Opportunity Cost (DLOC), and Rapid Response Pricing (RRP) Opportunity Cost credits.



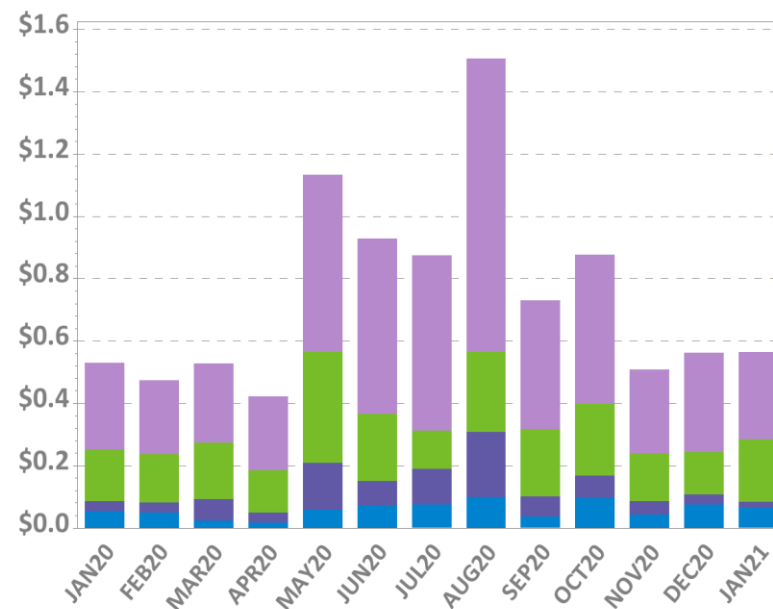
RT First Contingency Charges by Deviation Type

Jan-21 Total = \$0.56 M



■ DRR ■ Gen
■ Import ■ Inc
■ Load

Last 13 Months

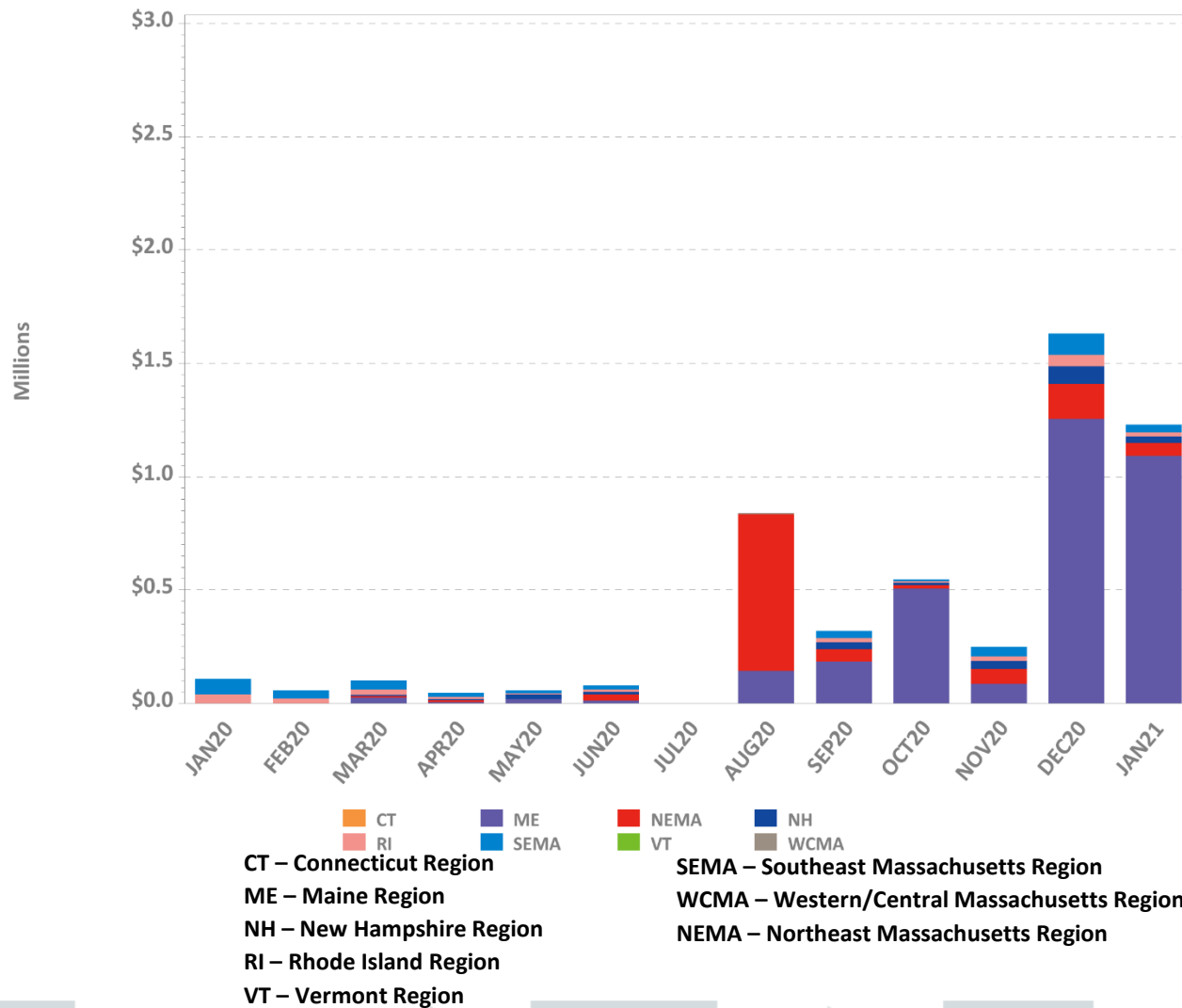


■ DRR ■ Gen
■ Import ■ Inc
■ Load

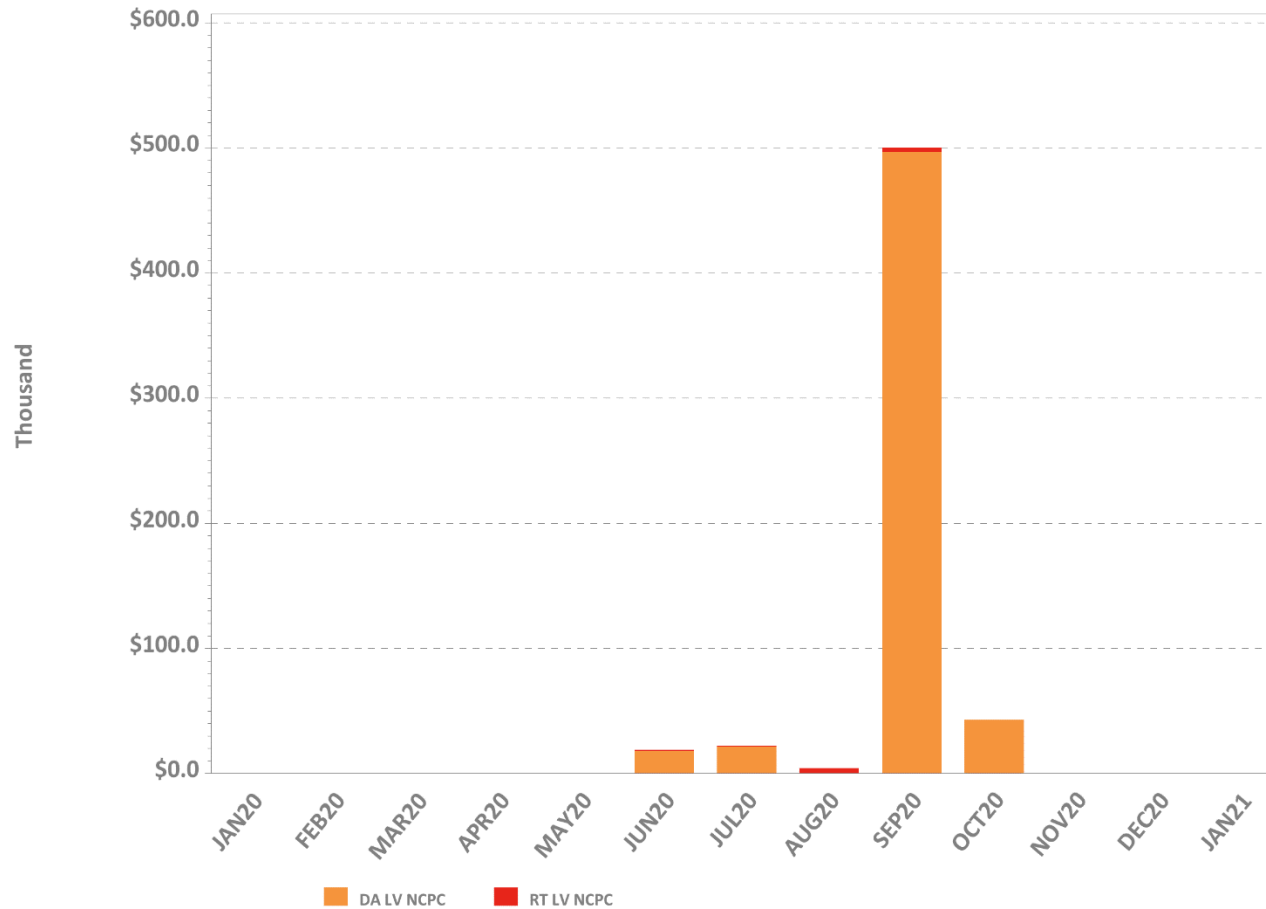
DRR – Demand Response Resource deviations
 Gen – Generator deviations
 Inc – Increment Offer deviations
 Import – Import deviations
 Load – Load obligation deviations



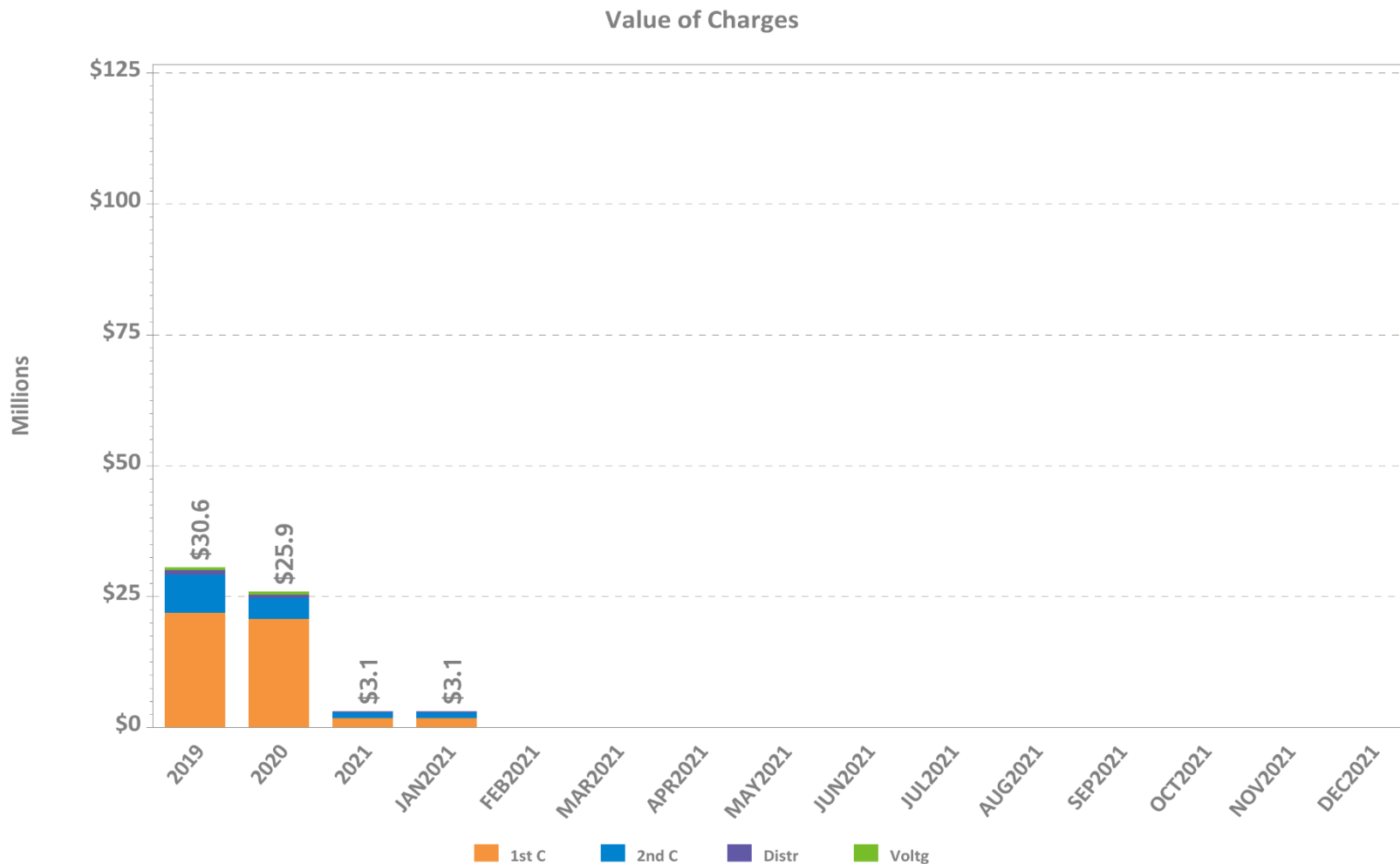
LSCPR Charges by Reliability Region



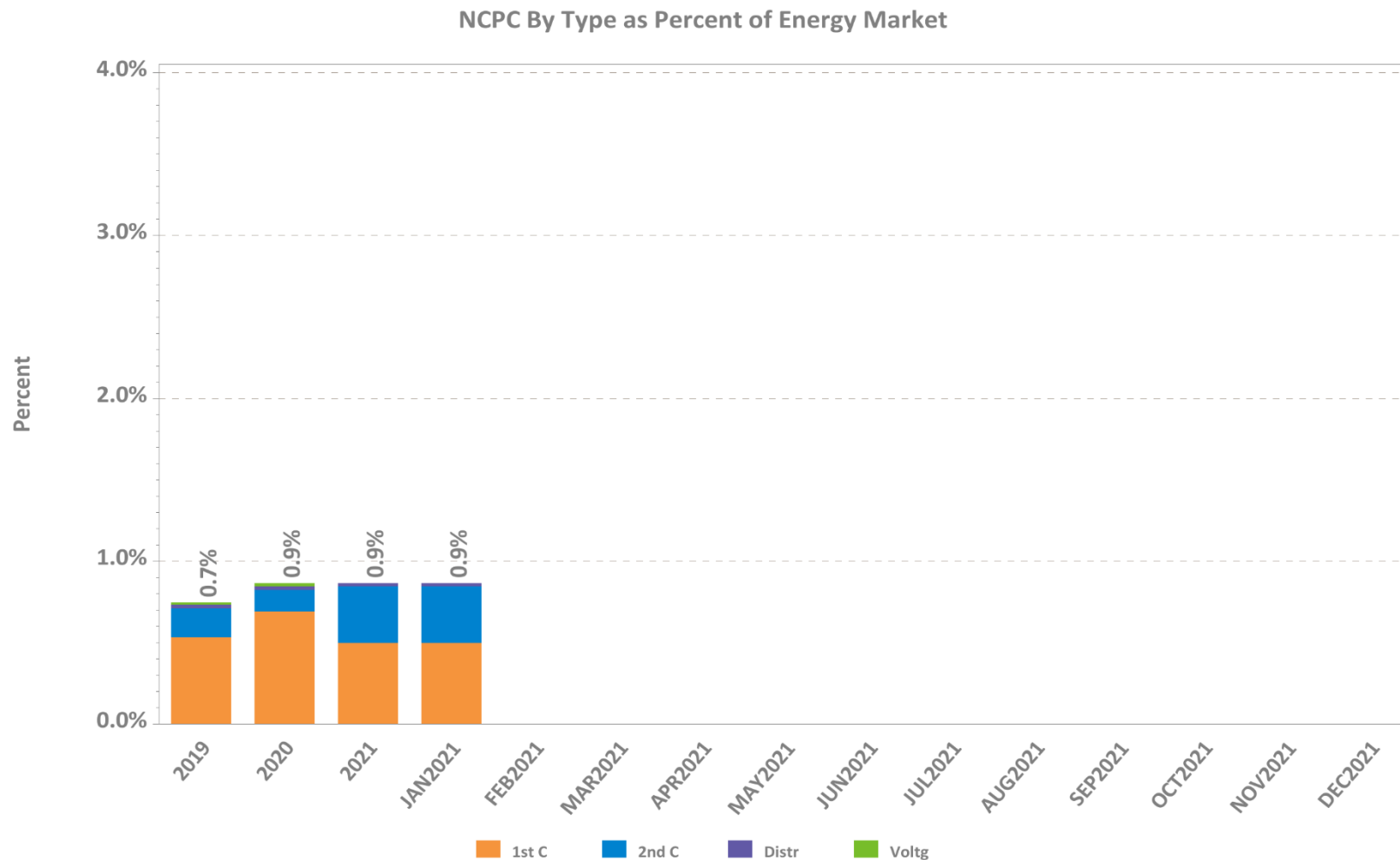
NCPC Charges for Voltage Support and High Voltage Control



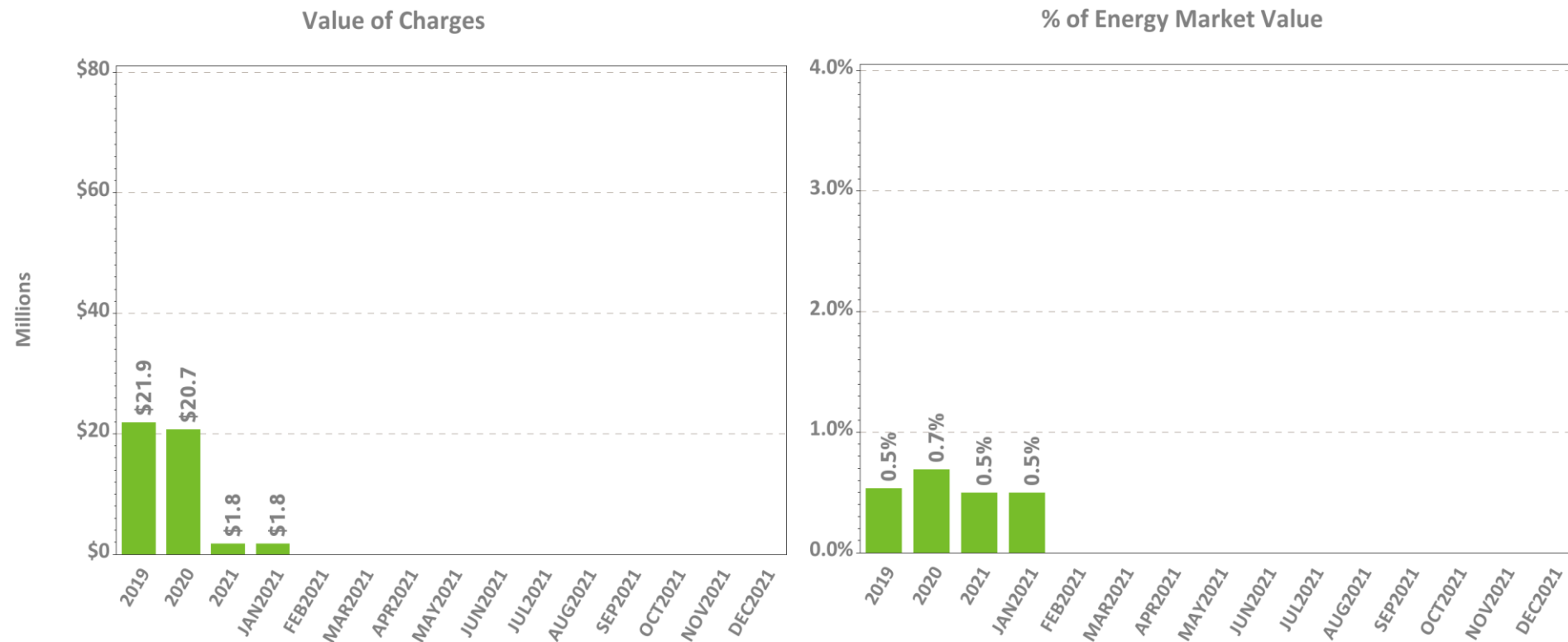
NCPC Charges by Type



NCPC Charges as Percent of Energy Market



First Contingency NCPC Charges

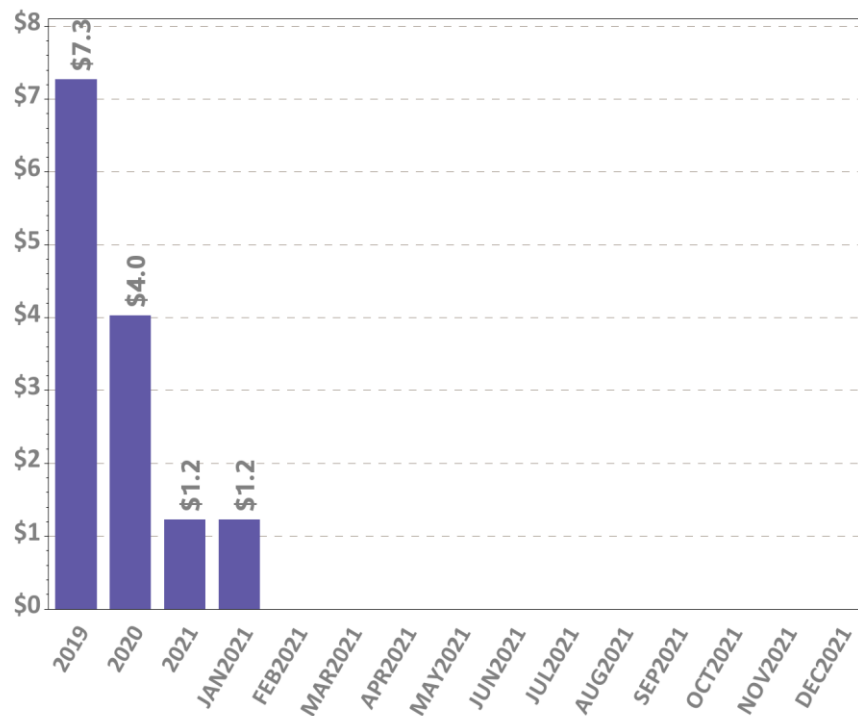


Note: Energy Market value is the hourly locational product of load obligation and price in the DA Market plus the hourly locational product of price and RT Load Obligation Deviation in the RT Market

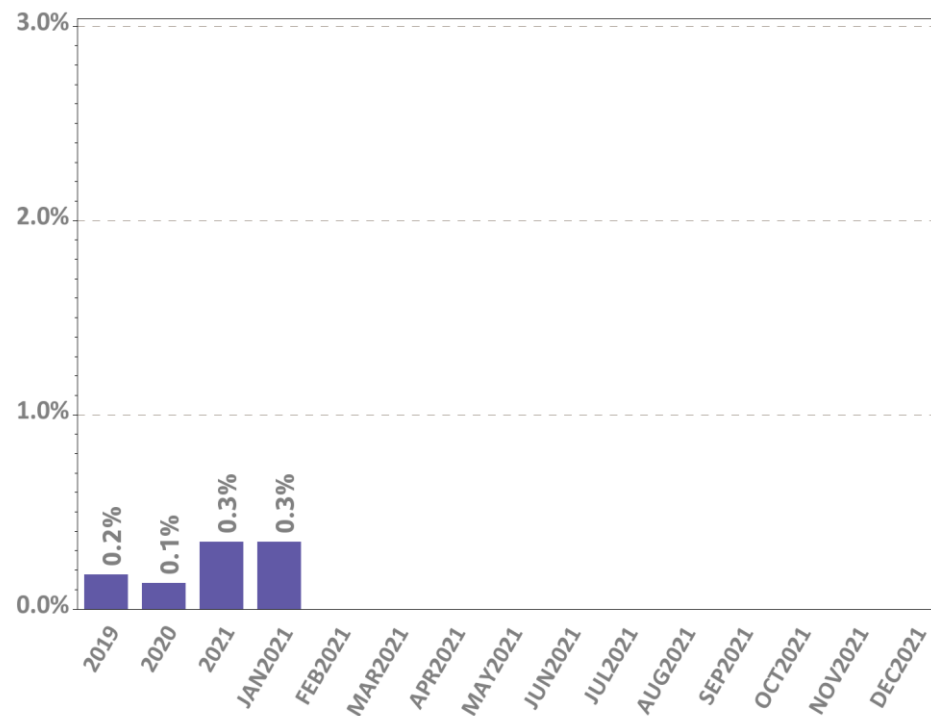


Second Contingency NCPC Charges

Value of Charges



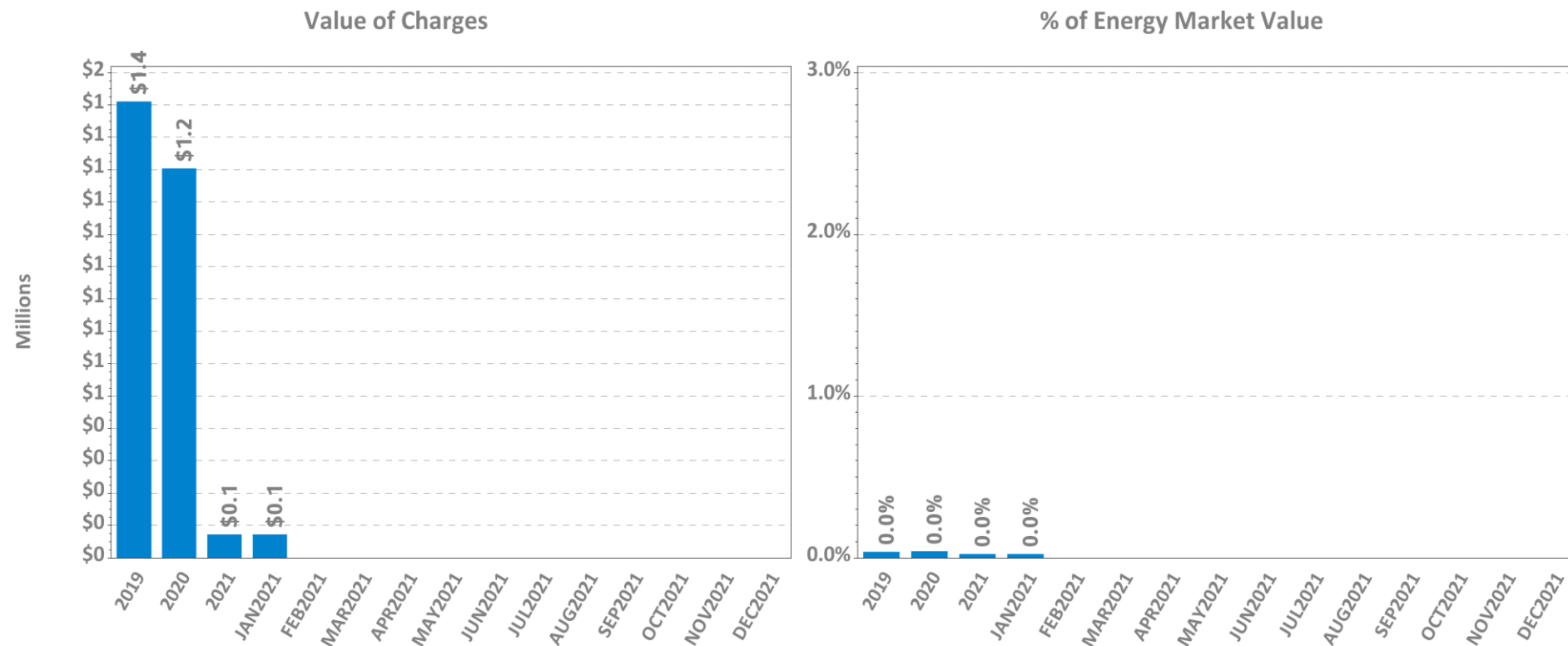
% of Energy Market Value



Note: Energy Market value is the hourly locational product of load obligation and price in the DA Market plus the hourly locational product of price and RT Load Obligation Deviation in the RT Market



Voltage and Distribution NCPC Charges



Note: Energy Market value is the hourly locational product of load obligation and price in the DA Market plus the hourly locational product of price and RT Load Obligation Deviation in the RT Market



DA vs. RT Pricing

The following slides outline:

- This month vs. prior year's average LMPs and fuel costs
- Reserve Market results
- DA cleared load vs. RT load
- Zonal and total incs and decs
- Self-schedules
- DA vs. RT net interchange



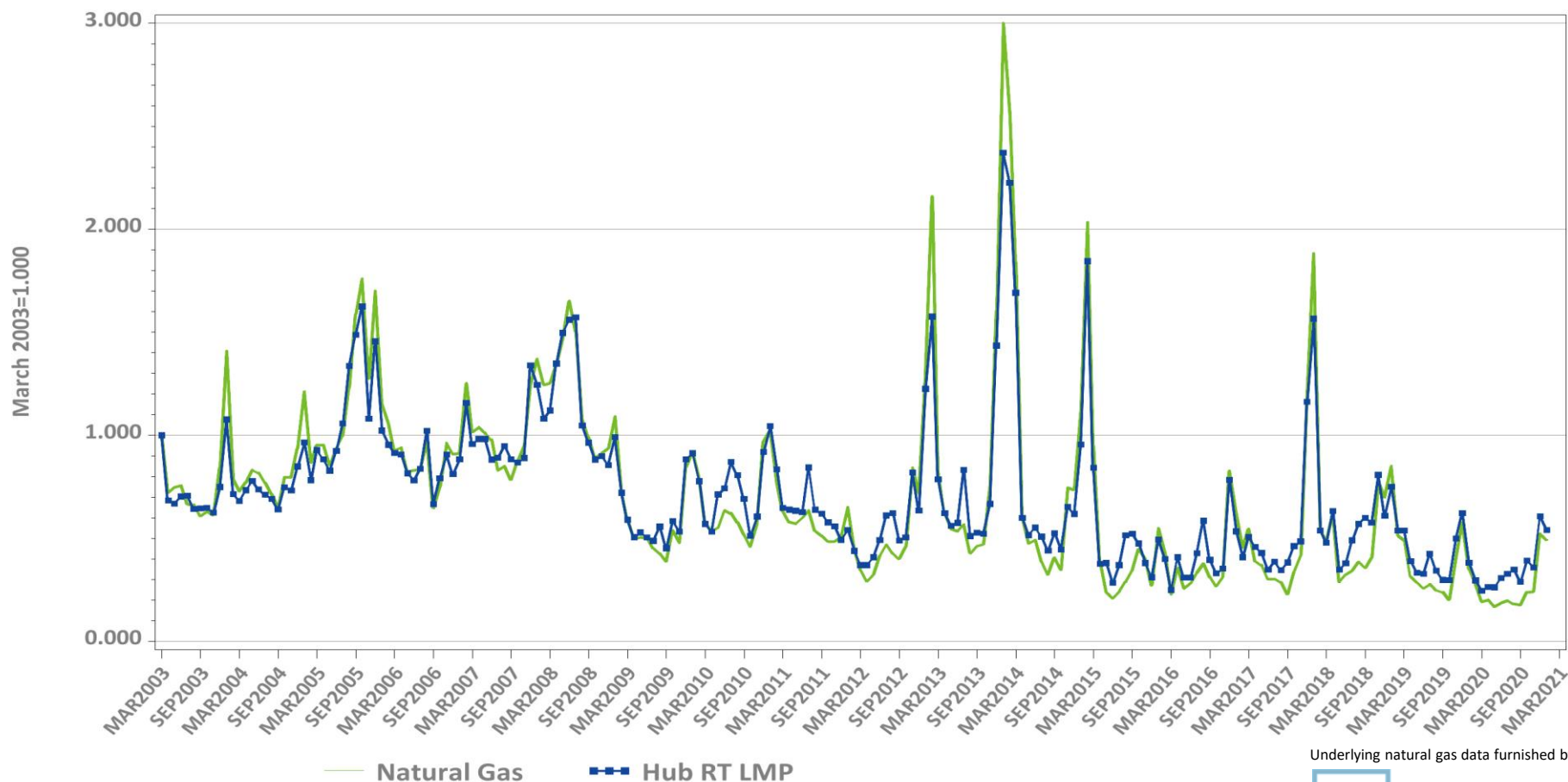
DA vs. RT LMPs (\$/MWh)

Arithmetic Average

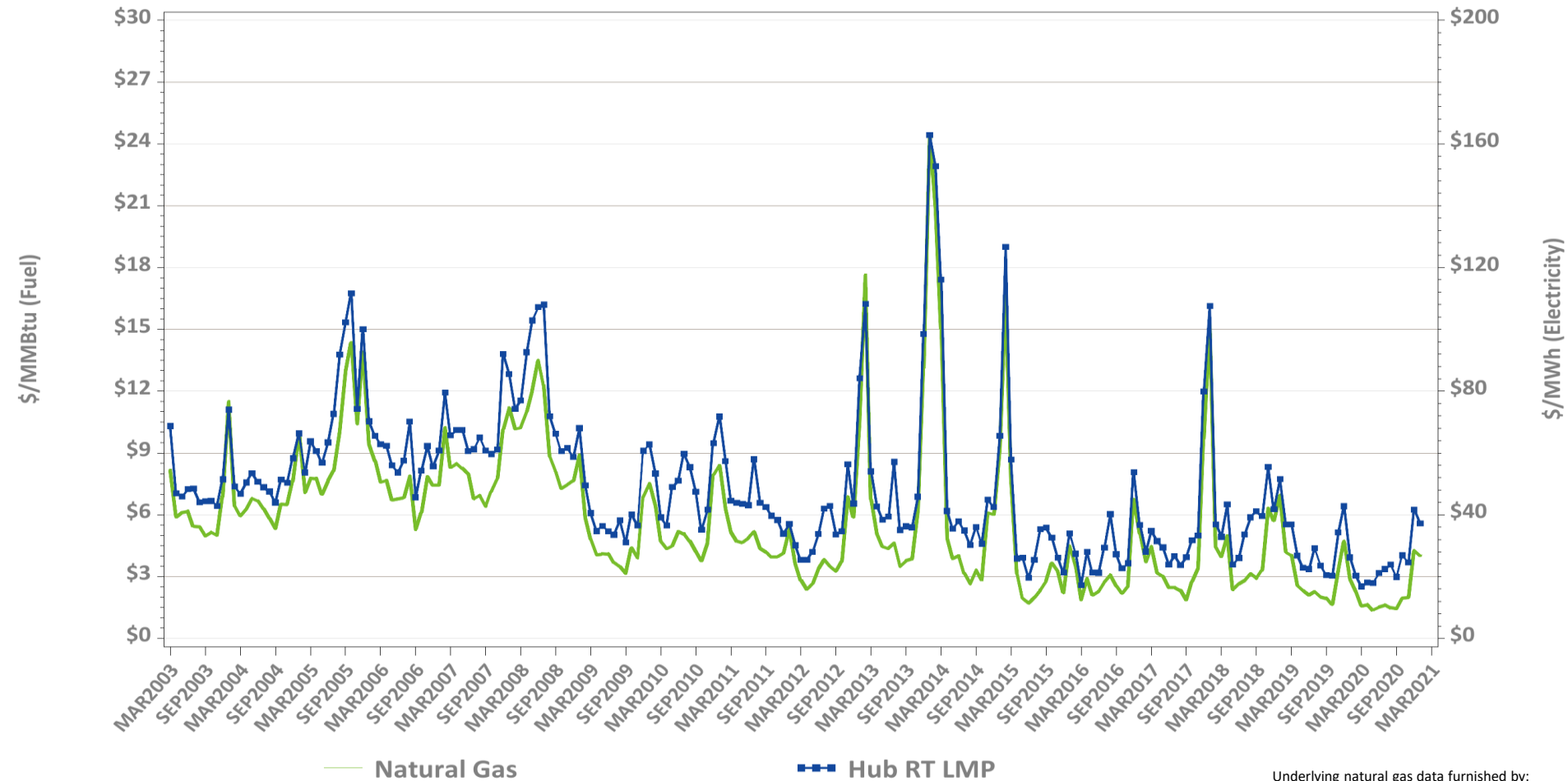
Year 2019	NEMA	CT	ME	NH	VT	RI	SEMA	WCMA	Hub
Day-Ahead	\$31.54	\$30.72	\$30.76	\$31.20	\$30.67	\$31.19	\$31.51	\$31.24	\$31.22
Real-Time	\$30.92	\$30.26	\$30.12	\$30.70	\$30.05	\$30.61	\$30.80	\$30.68	\$30.67
RT Delta %	-2.0%	-1.5%	-2.1%	-1.6%	-2.0%	-1.9%	-2.2%	-1.8%	-1.8%
Year 2020	NEMA	CT	ME	NH	VT	RI	SEMA	WCMA	Hub
Day-Ahead	\$24.32	\$23.20	\$24.06	\$24.28	\$23.49	\$24.15	\$24.43	\$23.98	\$24.02
Real-Time	\$24.26	\$23.46	\$24.05	\$24.24	\$23.58	\$24.12	\$24.38	\$24.00	\$24.04
RT Delta %	-0.3%	1.1%	0.0%	-0.1%	0.4%	-0.2%	-0.2%	0.1%	0.1%

January-20	NEMA	CT	ME	NH	VT	RI	SEMA	WCMA	Hub
Day-Ahead	\$24.32	\$23.20	\$24.06	\$24.28	\$23.49	\$24.15	\$24.43	\$23.98	\$24.02
Real-Time	\$24.26	\$23.46	\$24.05	\$24.24	\$23.58	\$24.12	\$24.38	\$24.00	\$24.04
RT Delta %	-0.3%	1.1%	0.0%	-0.1%	0.4%	-0.2%	-0.2%	0.1%	0.1%
January-21	NEMA	CT	ME	NH	VT	RI	SEMA	WCMA	Hub
Day-Ahead	\$37.02	\$35.44	\$36.87	\$37.06	\$36.11	\$36.75	\$37.03	\$36.80	\$36.78
Real-Time	\$37.39	\$36.15	\$37.10	\$37.41	\$36.51	\$37.12	\$37.32	\$37.12	\$37.16
RT Delta %	1.0%	2.0%	0.6%	0.9%	1.1%	1.0%	0.8%	0.9%	1.0%
Annual Diff.	NEMA	CT	ME	NH	VT	RI	SEMA	WCMA	Hub
Yr over Yr DA	52.2%	52.7%	53.3%	52.7%	53.7%	52.1%	51.6%	53.5%	53.2%
Yr over Yr RT	54.1%	54.1%	54.3%	54.3%	54.9%	53.9%	53.0%	54.6%	54.6%

Monthly Average Fuel Price and RT Hub LMP Indexes



Monthly Average Fuel Price and RT Hub LMP

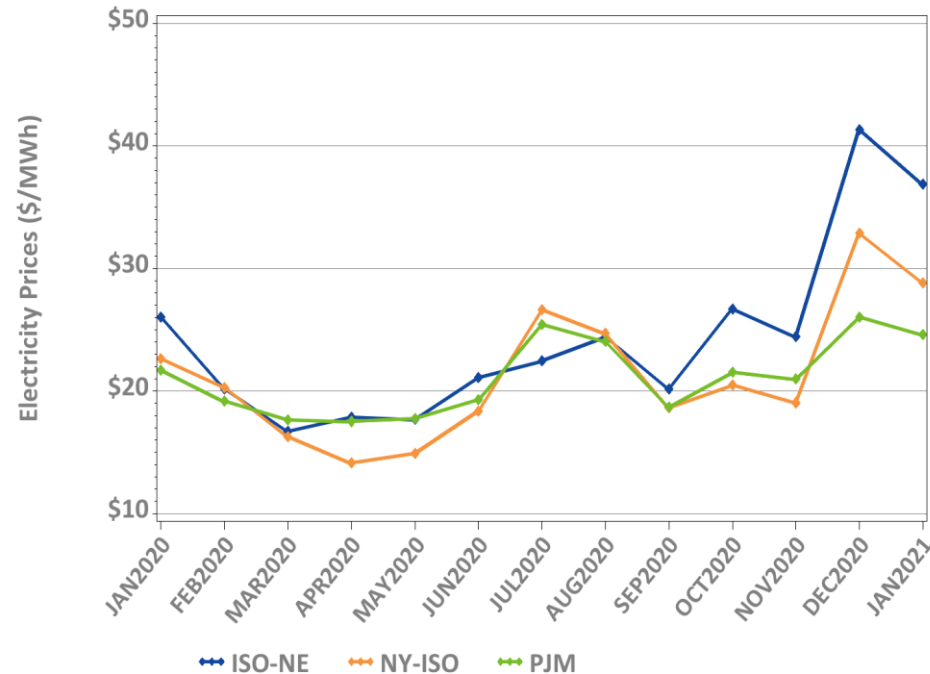


Underlying natural gas data furnished by:



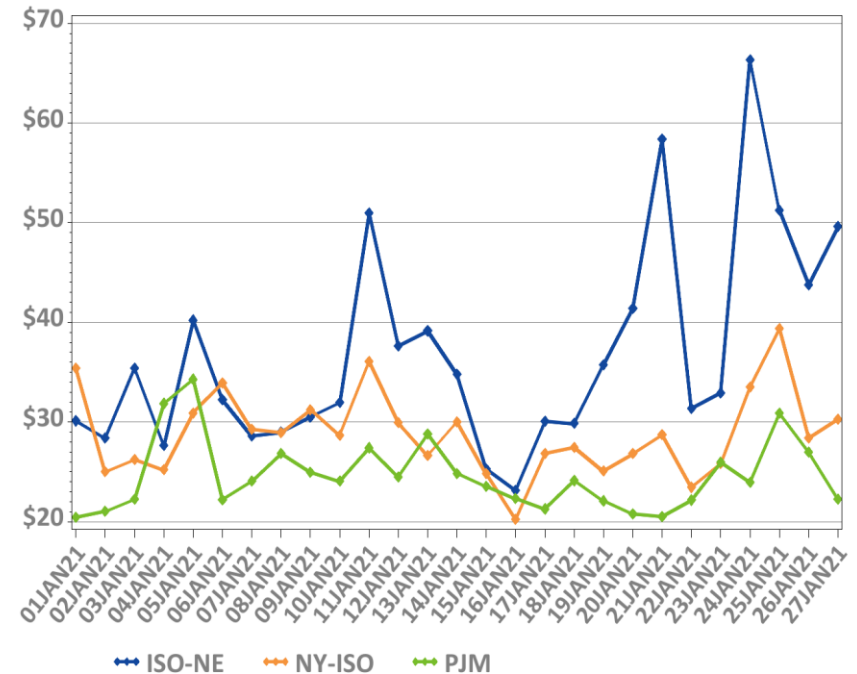
New England, NY, and PJM Hourly Average Real Time Prices by Month

Monthly, Last 13 Months



*Note: Hourly average prices are shown.

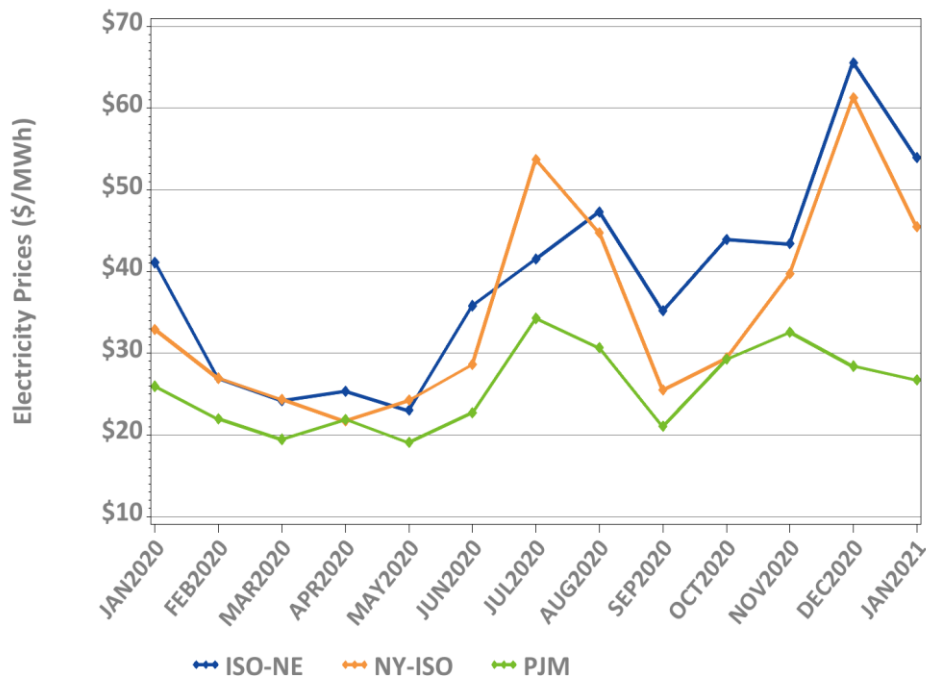
Daily: This Month



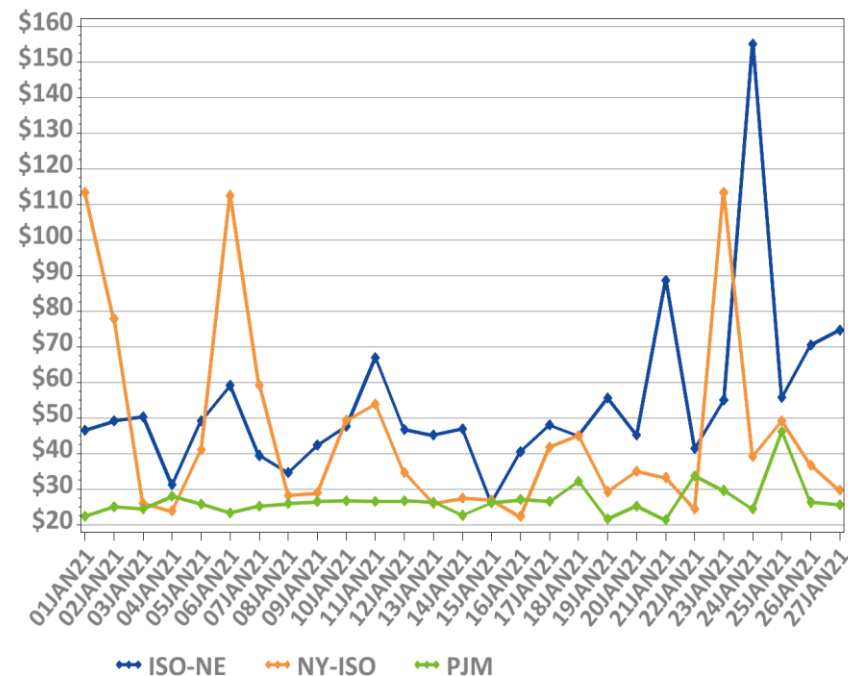
*Note: Hourly average prices are shown.

New England, NY, and PJM Average Peak Hour Real Time Prices

Monthly, Last 13 Months



Daily: This Month



*Forecasted New England daily peak hours reflected

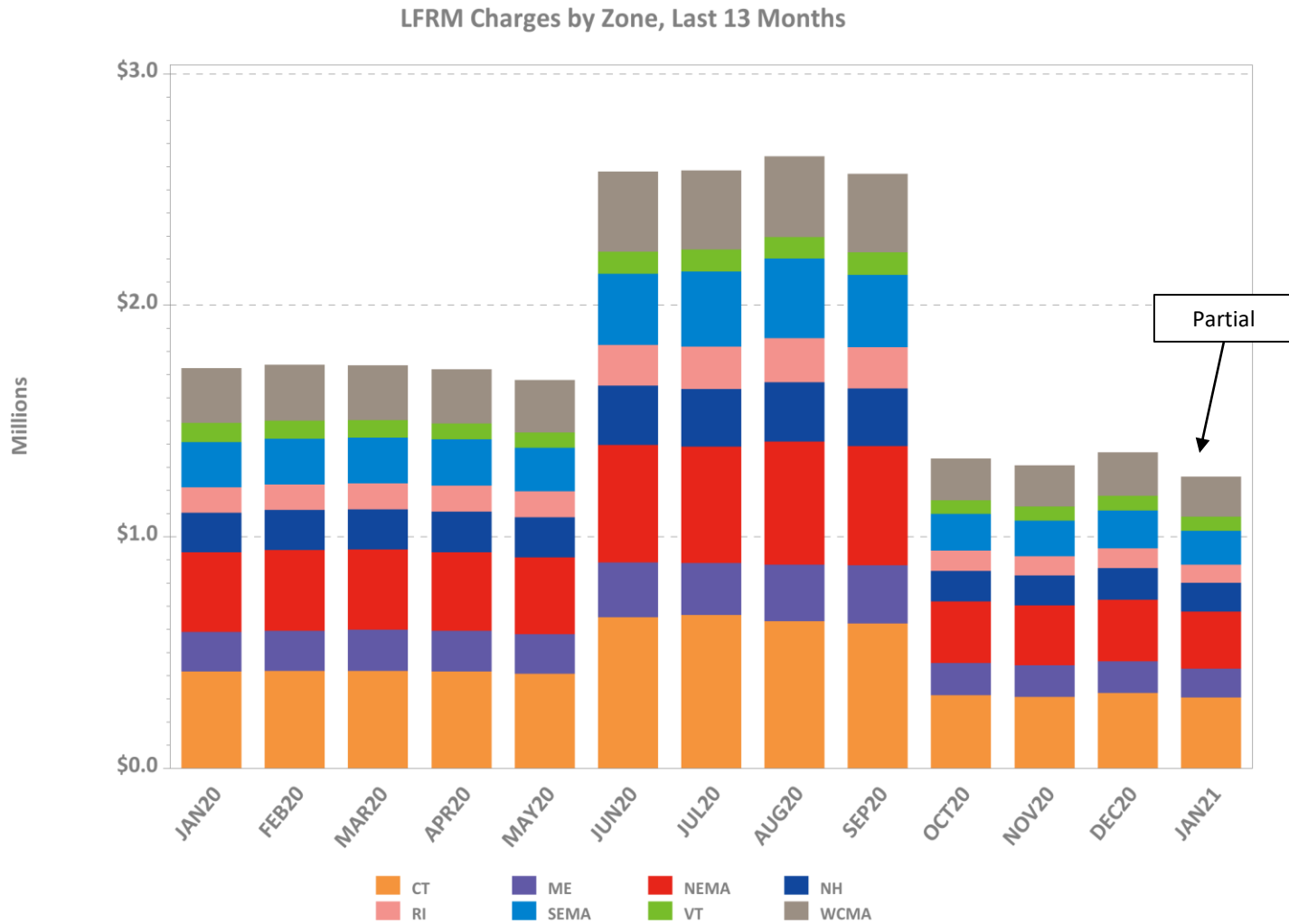
Reserve Market Results – January 2021

- Maximum potential Forward Reserve Market payments of \$1.3M were reduced by credit reductions of \$9K, failure-to-reserve penalties of \$13K and no failure-to-activate penalties, resulting in a net payout of \$1.3M or 98% of maximum
 - Rest of System: \$0.98M/1M (99%)
 - Southwest Connecticut: \$0.04M/0.04M (100%)
 - Connecticut: \$0.24M/0.25M (97%)
 - \$795K total
- \$500K total Real-Time credits were not reduced by any Forward Reserve Energy Obligation Charges for a net of \$500K in Real-Time Reserve payments
 - Rest of System: 183 hours, \$330K
 - Southwest Connecticut: 183 hours, \$94K
 - Connecticut: 183 hours, \$22K
 - NEMA: 183 hours, \$54K

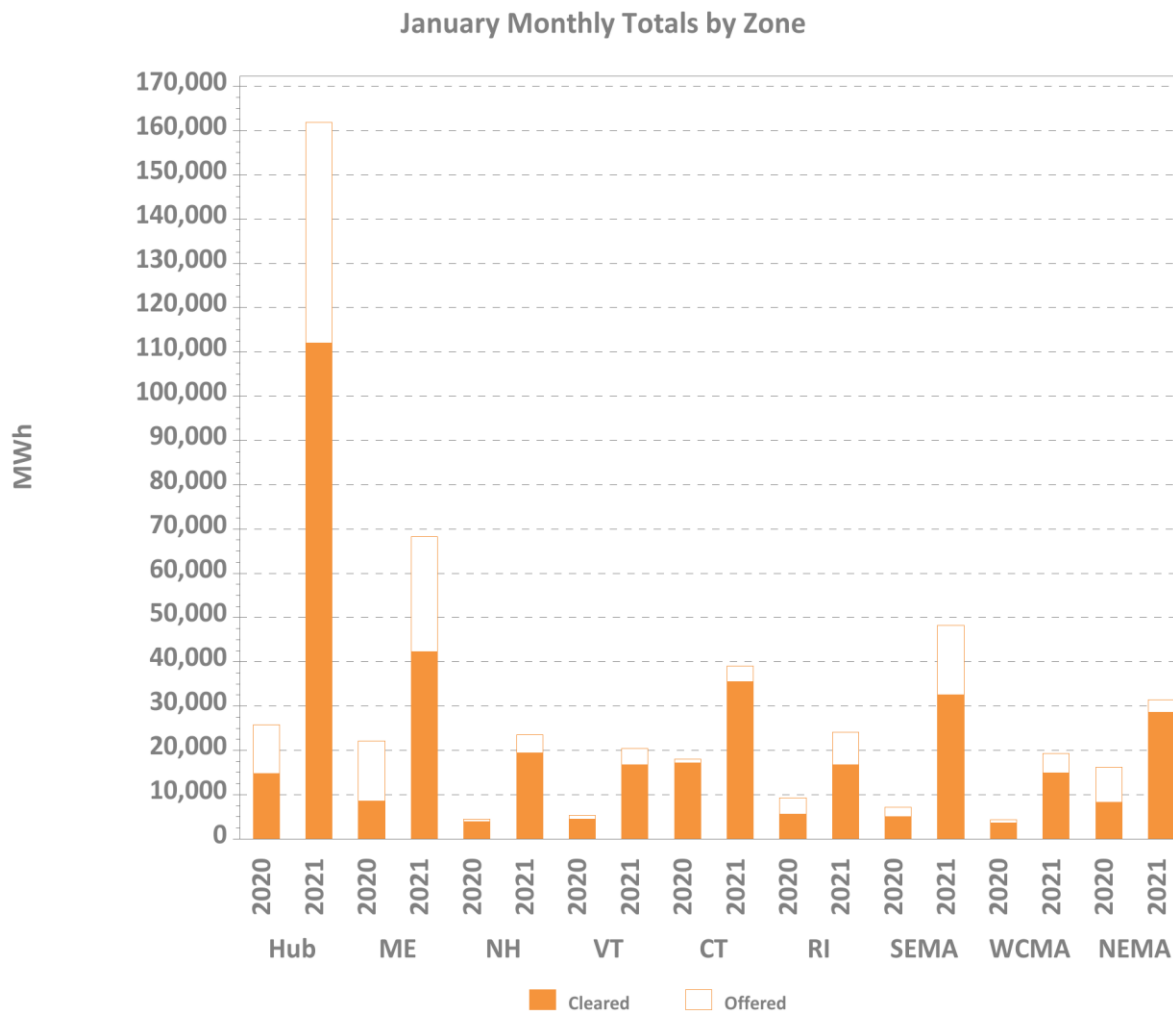
Note: “Failure to reserve” results in both credit reductions and penalties in the Locational Forward Reserve Market. While this summary reports performance by location, there were no locational requirements in effect for the current Forward Reserve auction period.



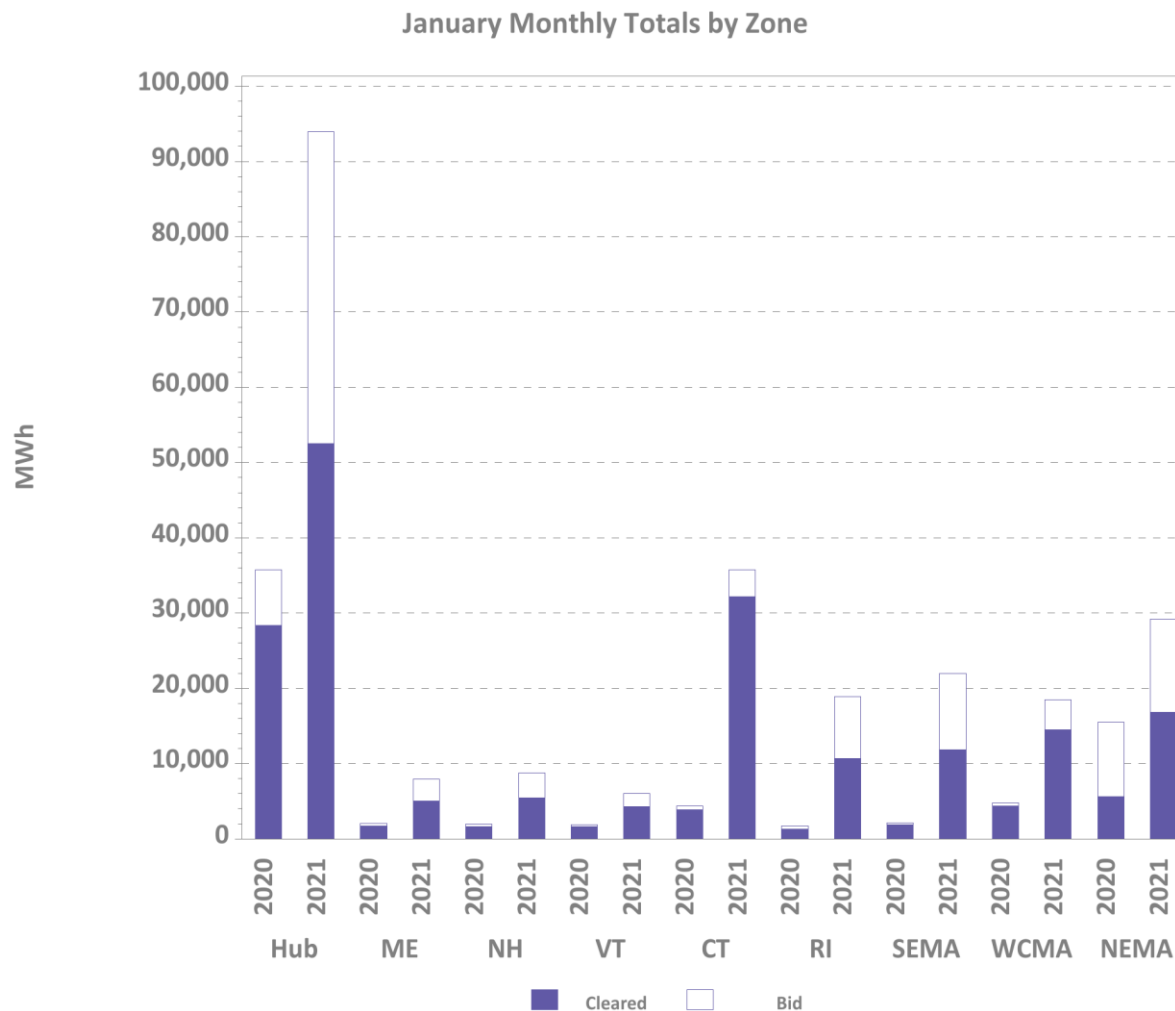
LFRM Charges to Load by Load Zone (\$)



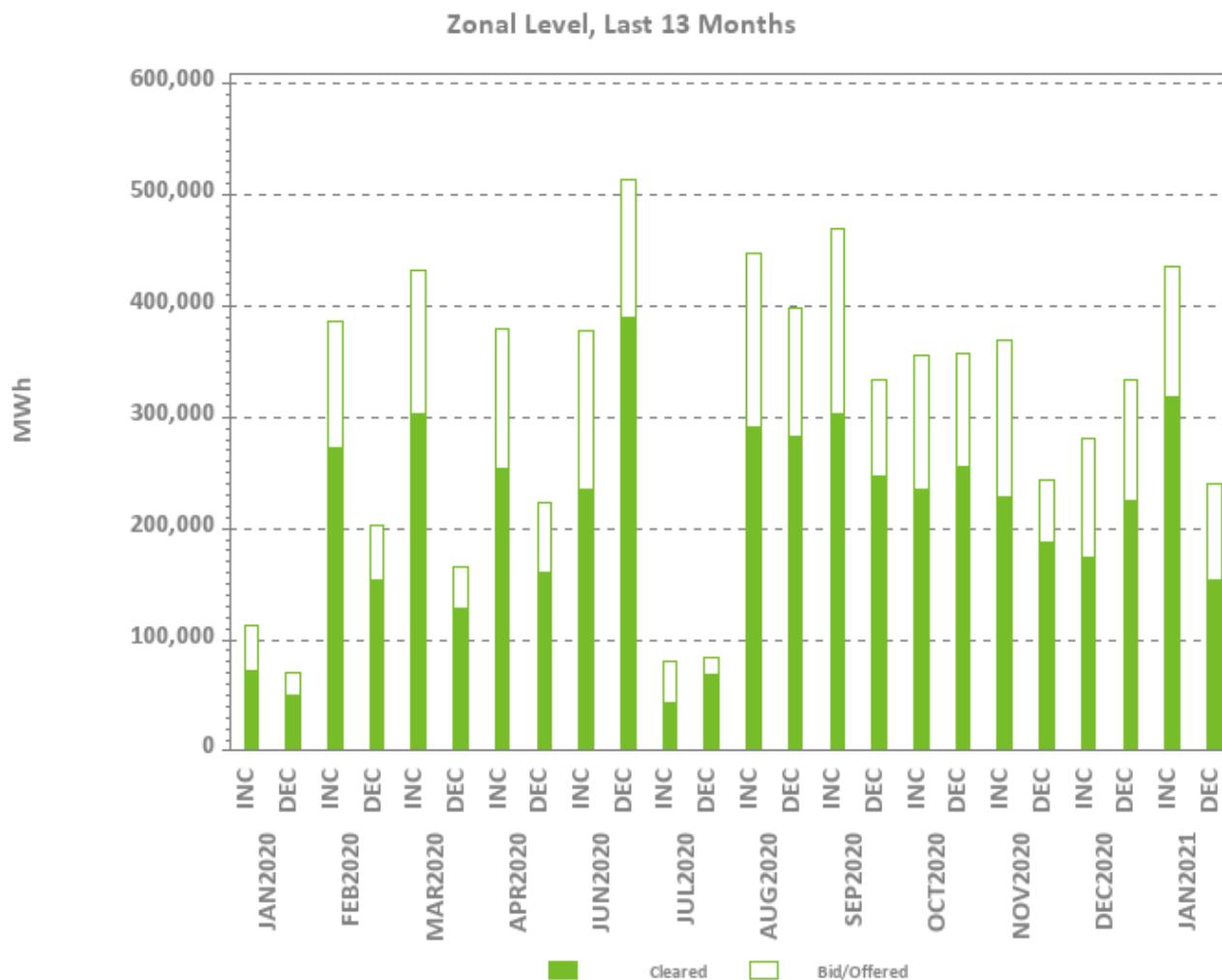
Zonal Increment Offers and Cleared Amounts



Zonal Decrement Bids and Cleared Amounts

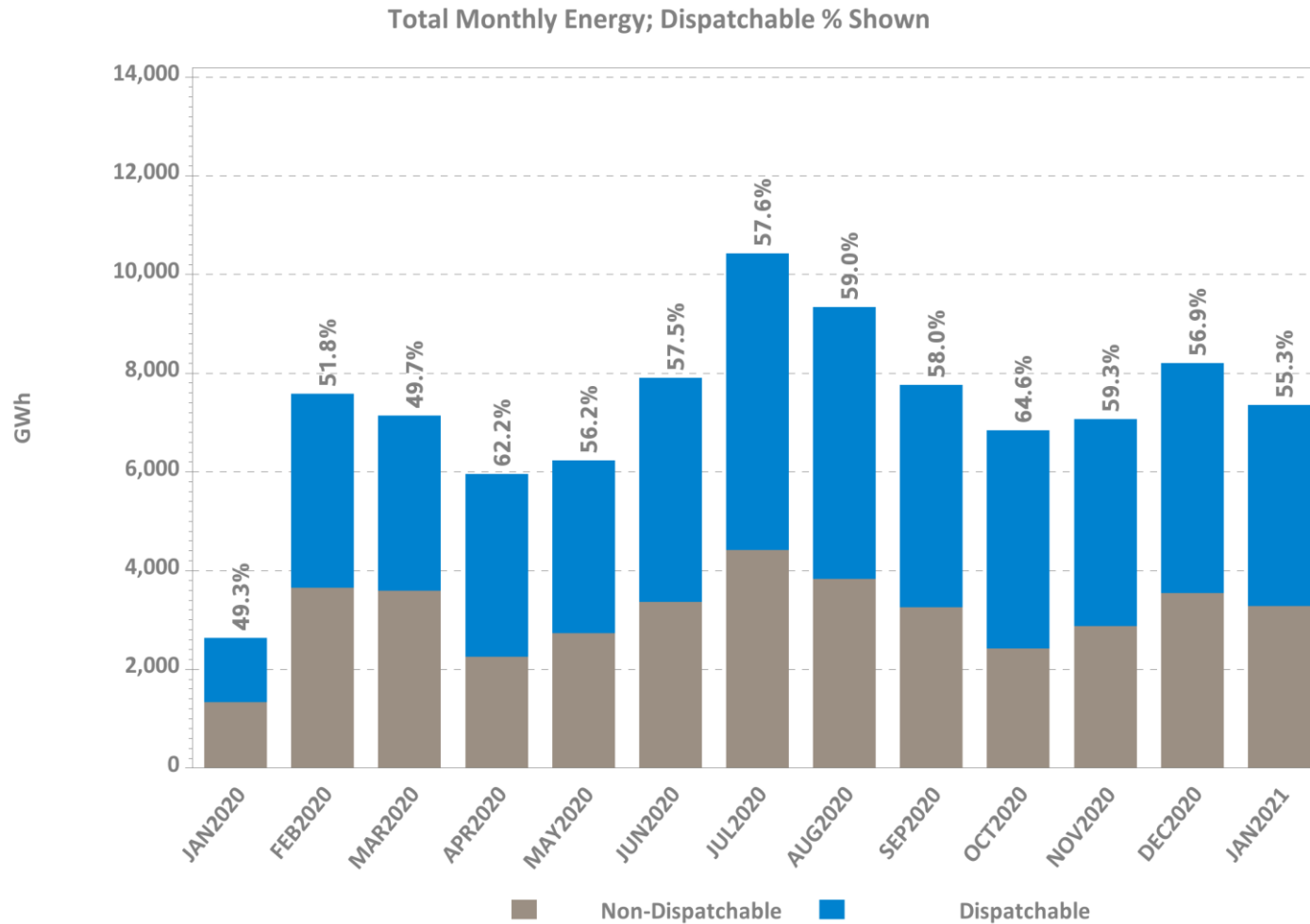


Total Increment Offers and Decrement Bids



Data excludes nodal offers and bids

Dispatchable vs. Non-Dispatchable Generation



* Dispatchable MWh here are defined to be all generation output that is not self-committed ('must run') by the customer.



REGIONAL SYSTEM PLAN (RSP)



Regional System Plan (RSP)

- 2021 is an RSP publication year (RSP21)
- Goal is to improve value and usability of the RSP report
 - The ISO received valuable stakeholder feedback as part of the spring 2020 survey
- Target is for RSP21 to be 50% shorter in length than RSP19
 - Static information found in the RSP to be moved to the ISO-NE website
 - Dynamic information found in the RSP to be included in the report but at a high level
- ISO will improve the reporting of information related to the New England regional system planning process with:
 - Better utilization of the ISO-NE website
 - More frequent reporting
 - Tables/graphics in a format that is easily downloadable
- RSP21 Public Meeting date is set for October 6
 - Venue and format have yet to be decided



Planning Advisory Committee (PAC)

- February 17 PAC Meeting Agenda Topics*
 - Lower Maine 2030 Needs Assessment Results
 - Upper Maine 2029 Preliminary Preferred Solution
 - New Hampshire 2029 Preliminary Preferred Solution for Western & Central NH
 - Looking Forward: Dynamic Reactive Device Technologies
 - Boston 2028 RFP and Order 1000 Lessons Learned Update
 - 2020 Economic Study Sensitivities Presentation
 - Stochastic Time Series Modeling for ISO-NE: Results and Next Steps
 - Ludlow BPS and Asset Condition Project
 - Eddy (NH) Control House Replacement
 - Branford (CT) Bus Replacement

* Agenda topics are subject to change. Visit <https://www.iso-ne.com/committees/planning/planning-advisory> for the latest PAC agendas.



Transmission Planning for the Clean-Energy Transition

- On 9/24/20 the ISO initiated discussions with the PAC about proposed refinements to study assumptions that better reflect long-term trends, such as increased amounts of distributed-energy resources (primarily solar PV), offshore wind generation, and battery energy storage
- A follow-up presentation at the 11/19/20 PAC meeting outlined a proposal for a pilot study, with the following goals:
 - Explore transmission reliability concerns that may result from various system conditions possible by 2030
 - Quantify trade-offs necessary between transmission system reliability/flexibility and transmission investment cost
 - Inform future discussions on transmission planning study assumptions
- An overview of the system conditions and dispatch assumptions for the pilot study was discussed at the 12/16/20 and 1/21/21 PAC meetings
- Study work is in progress, with results expected in Q2



Economic Studies

- 2020 Economic Study Request
 - Study proponent is National Grid
 - Preliminary production cost results were shared at the November 19, 2020 PAC meeting, and additional scenarios/sensitivities will be presented in February
 - Ancillary Services is ongoing
 - The goal is to complete all study work by Q2 2021
 - Study results expected to influence the NEPOOL Future Grid study
- 2021 Economic Study requests are due April 1
 - Submitted in accordance with Attachment K, Section 4.1(b) of the Tariff
 - Memo to PAC to be issued in mid-February outlining the process and related deadlines



Future Grid Reliability Study (FGRS)

- Phase 1
 - Studies include: Production Cost Simulations; Ancillary Services Simulations; Resource Adequacy Screen; and Probabilistic Resource Availability Analysis
 - On December 29, 2020, NEPOOL formally asked ISO-NE if the ISO had the capability to undertake the study work described as “Phase 1”
 - The ISO agreed to perform this study work at the joint MC/RC meeting held on January 19
 - Framework Document and supporting assumptions table have been developed by stakeholders that describe the 24 study scenarios and objectives
 - The ISO is working on model development by reviewing assumptions with NEPOOL study proponents
 - Production Cost Simulations likely to commence in the April timeframe
 - Phase 1 work is likely to be classified as the 2021 Economic Study
- Phase 2
 - Studies include: Revenue Sufficiency Analysis and Transmission Security
 - Studies likely to be performed by a consultant
 - Embellishment of the study scope continues at the MC/RC

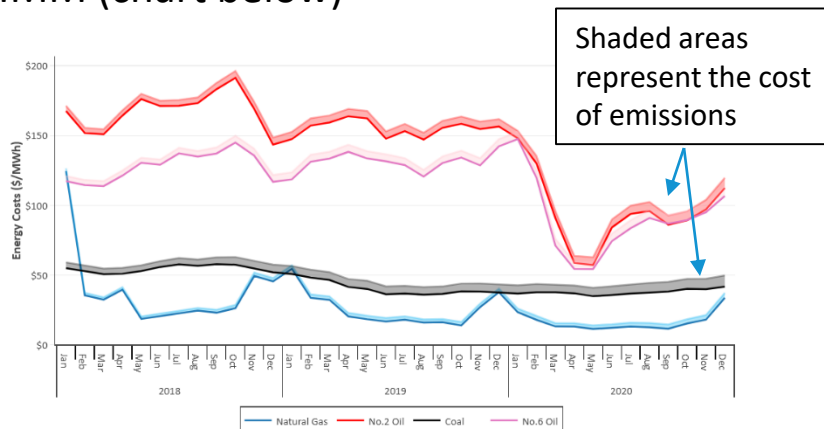


Environmental Matters – 2020 Emissions

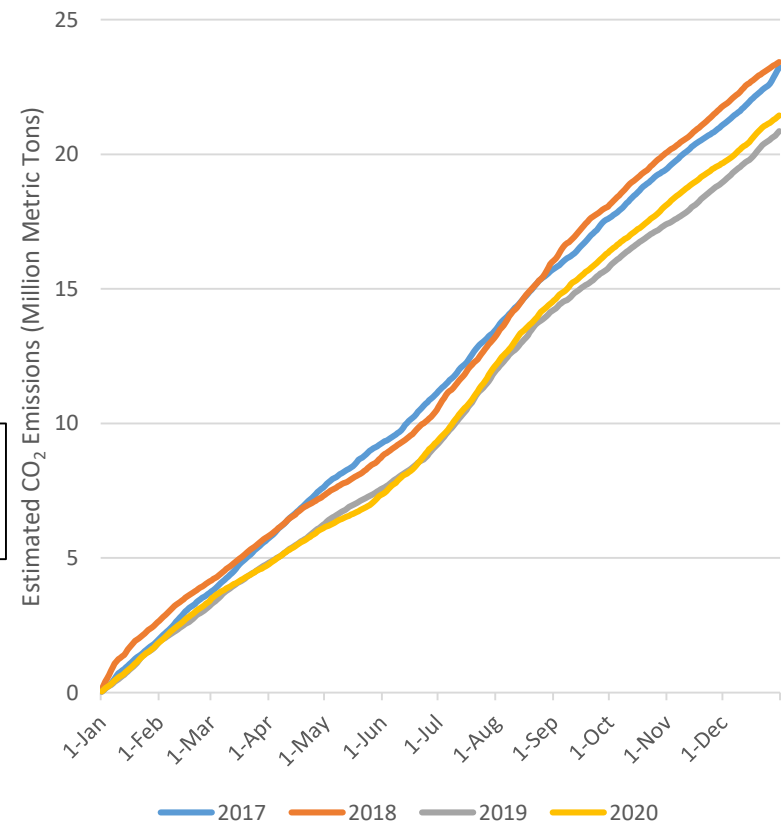
Increased Over 2019 Despite Pandemic

2020 Emissions Below Cap, January 2021 Emissions Typical

- 2020 CO₂ system emissions estimated at 21.44 million metric tons (MMT)
- 2019 CO₂ system emissions were 20.85 MMT
- Environmental compliance costs (mainly CO₂ allowance costs) have minor impact on economic merit order according to IMM (chart below)



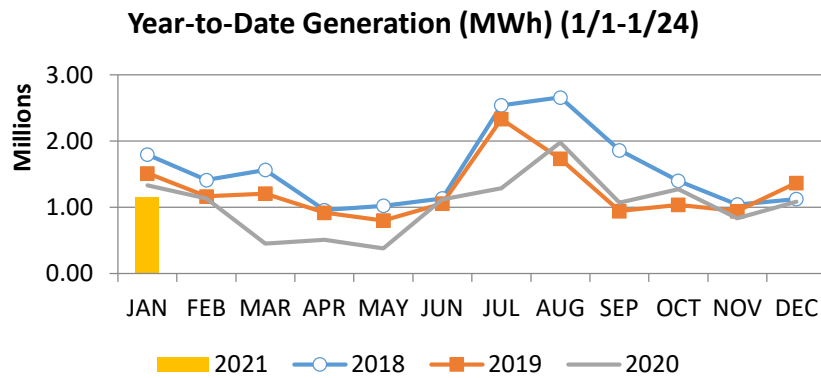
Cumulative Daily Estimated System CO₂ Emissions (MMT)



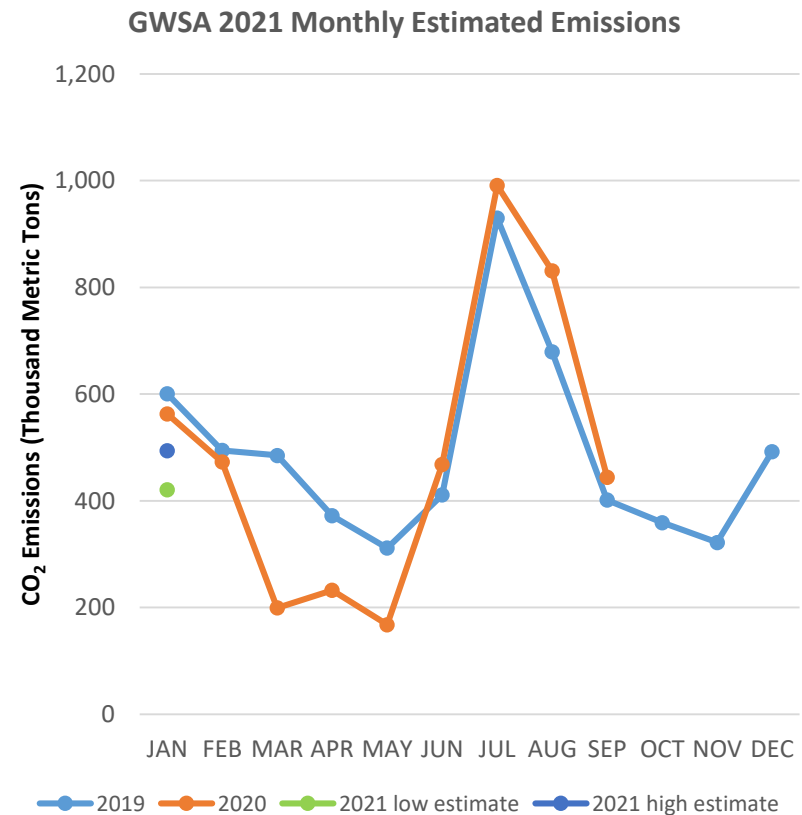
Environmental Matters – Massachusetts CO₂ Generator Emissions Cap

2020 CO₂ Emissions Below Cap January 2021 Emissions Typical

- 2020 CO₂ emissions estimated between 5.1 – 6.1 MMT
 - 2020 cap was 8.5 MMT
- January 2021 emissions estimated between 415,000 and 487,000 metric tons, similar to past Januarys
 - 2021 cap is 8.23 MMT



2019-2021 Estimated Monthly Emissions (Thousand Metric tons)



GWSA - Global Warming Solutions Act

RSP Project Stage Descriptions

Stage	Description
1	Planning and Preparation of Project Configuration
2	Pre-construction (e.g., material ordering, project scheduling)
3	Construction in Progress
4	In Service

Note: The listings in this section focus on major transmission line construction and rebuilding.



Southwest Connecticut (SWCT) Projects

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the four study sub-areas of Frost Bridge/Naugatuck Valley, Housatonic Valley/Plumtree – Norwalk, Bridgeport, New Haven – Southington and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Add a 25.2 MVAR capacitor bank at the Oxford substation	Mar-16	4
Add 2 x 25 MVAR capacitor banks at the Ansonia substation	Oct-18	4
Close the normally open 115 kV 2T circuit breaker at Baldwin substation	Sep-17	4
Reconductor the 115 kV line between Bunker Hill and Baldwin Junction (1575)	Dec-16	4
Expand Pootatuck (formerly known as Shelton) substation to 4-breaker ring bus configuration and add a 30 MVAR capacitor bank at Pootatuck	Jul-18	4
Loop the 1570 line in and out the Pootatuck substation	Jul-18	4
Replace two 115 kV circuit breakers at the Freight substation	Dec-15	4



Southwest Connecticut Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the four study sub-areas of Frost Bridge/Naugatuck Valley, Housatonic Valley/Plumtree – Norwalk, Bridgeport, New Haven – Southington and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Add two 14.4 MVAR capacitor banks at the West Brookfield substation	Dec-17	4
Add a new 115 kV line from Plumtree to Brookfield Junction	Jun-18	4
Reconductor the 115 kV line between West Brookfield and Brookfield Junction (1887)	Nov-20	4
Reduce the existing 25.2 MVAR capacitor bank at the Rocky River substation to 14.4 MVAR	Apr-17	4
Reconfigure the 1887 line into a three-terminal line (Plumtree - W. Brookfield - Shepaug)	May-18	4
Reconfigure the 1770 line into 2 two-terminal lines (Plumtree - Stony Hill and Stony Hill - Bates Rock)	May-18	4
Install a synchronous condenser (+25/-12.5 MVAR) at Stony Hill	Jun-18	4
Relocate an existing 37.8 MVAR capacitor bank at Stony Hill to the 25.2 MVAR capacitor bank side	May-18	4



Southwest Connecticut Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the four study sub-areas of Frost Bridge/Naugatuck Valley, Housatonic Valley/Plumtree – Norwalk, Bridgeport, New Haven – Southington and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Relocate the existing 37.8 MVAR capacitor bank from 115 kV B bus to 115 kV A bus at the Plumtree substation	Apr-17	4
Add a 115 kV circuit breaker in series with the existing 29T breaker at the Plumtree substation	May-16	4
Terminal equipment upgrade at the Newtown substation (1876)	Dec-15	4
Rebuild the 115 kV line from Wilton to Norwalk (1682) and upgrade Wilton substation terminal equipment	Jun-17	4
Reconductor the 115 kV line from Wilton to Ridgefield Junction (1470-1)	Dec-19	4
Reconductor the 115 kV line from Ridgefield Junction to Peaceable (1470-3)	Dec-19	4



Southwest Connecticut Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the four study sub areas of Frost Bridge/Naugatuck Valley, Housatonic Valley/Plumtree – Norwalk, Bridgeport, New Haven – Southington and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Add 2 x 20 MVAR capacitor banks at the Hawthorne substation	Mar-16	4
Upgrade the 115 kV bus at the Baird substation	Mar-18	4
Upgrade the 115 kV bus system and 11 disconnect switches at the Pequonnock substation	Dec-14	4
Add a 345 kV breaker in series with the existing 11T breaker at the East Devon substation	Dec-15	4
Rebuild the 115 kV lines from Baird to Congress (8809A / 8909B)	Dec-18	4
Rebuild the 115 kV lines from Housatonic River Crossing (HRX) to Barnum to Baird (88006A / 89006B)	Feb-21	3



Southwest Connecticut Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the four study sub areas of Frost Bridge/Naugatuck Valley, Housatonic Valley/Plumtree – Norwalk, Bridgeport, New Haven – Southington and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Remove the Sackett phase shifter	Mar-17	4
Install a 7.5 ohm series reactor on 1610 line at the Mix Avenue substation	Dec-16	4
Add 2 x 20 MVAR capacitor banks at the Mix Avenue substation	Dec-16	4
Upgrade the 1630 line relay at North Haven and Wallingford 1630 terminal equipment	Jan-17	4
Rebuild the 115 kV lines from Devon Tie to Milvon (88005A / 89005B)	Nov-16	4
Replace two 115 kV circuit breakers at Mill River	Dec-14	4



Greater Boston Projects

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the Greater Boston area and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Install new 345 kV line from Scobie to Tewksbury	Dec-17	4
Reconductor the Y-151 115 kV line from Dracut Junction to Power Street	Apr-17	4
Reconductor the M-139 115 kV line from Tewksbury to Pinehurst and associated work at Tewksbury	May-17	4
Reconductor the N-140 115 kV line from Tewksbury to Pinehurst and associated work at Tewksbury	May-17	4
Reconductor the F-158N 115 kV line from Wakefield Junction to Maplewood and associated work at Maplewood	Dec-15	4
Reconductor the F-158S 115 kV line from Maplewood to Everett	Jun-19	4
Install new 345 kV cable from Woburn to Wakefield Junction, install two new 160 MVAR variable shunt reactors and associated work at Wakefield Junction and Woburn*	May-22	3*
Refurbish X-24 69 kV line from Millbury to Northboro Road	Dec-15	4
Reconductor W-23W 69 kV line from Woodside to Northboro Road	Jun-19	4

* Substation portion of the project is a Present Stage status 4

Greater Boston Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the Greater Boston area and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Separate X-24 and E-157W DCT	Dec-18	4
Separate Q-169 and F-158N DCT	Dec-15	4
Reconductor M-139/211-503 and N-140/211-504 115 kV lines from Pinehurst to North Woburn tap	May-17	4
Install new 115 kV station at Sharon to segment three 115 kV lines from West Walpole to Holbrook	Sep-20	4
Install third 115 kV line from West Walpole to Holbrook	Sep-20	4
Install new 345 kV breaker in series with the 104 breaker at Stoughton	May-16	4
Install new 230/115 kV autotransformer at Sudbury and loop the 282-602 230 kV line in and out of the new 230 kV switchyard at Sudbury	Dec-17	4
Install a new 115 kV line from Sudbury to Hudson	Dec-23	2



Greater Boston Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the Greater Boston area and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Replace 345/115 kV autotransformer, 345 kV breakers, and 115 kV switchgear at Woburn	Dec-19	4
Install a 345 kV breaker in series with breaker 104 at Woburn	May-17	4
Reconfigure Waltham by relocating PARs, 282-507 line, and a breaker	Dec-17	4
Upgrade 533-508 115 kV line from Lexington to Hartwell and associated work at the stations	Aug-16	4
Install a new 115 kV 54 MVAR capacitor bank at Newton	Dec-16	4
Install a new 115 kV 36.7 MVAR capacitor bank at Sudbury	May-17	4
Install a second Mystic 345/115 kV autotransformer and reconfigure the bus	May-19	4
Install a 115 kV breaker on the East bus at K Street	Jun-16	4
Install 115 kV cable from Mystic to Chelsea and upgrade Chelsea 115 kV station to BPS standards	May-21	3*
Split 110-522 and 240-510 DCT from Baker Street to Needham for a portion of the way and install a 115 kV cable for the rest of the way	May-21	3

*Mystic to Chelsea line portion of the project is a present stage 4 as of October 2020.

Greater Boston Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the Greater Boston area and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Install a second 115 kV cable from Mystic to Woburn to create a bifurcated 211-514 line	May-22	3
Open lines 329-510/511 and 250-516/517 at Mystic and Chatham, respectively. Operate K Street as a normally closed station.	May-19	4
Upgrade Kingston to create a second normally closed 115 kV bus tie and reconfigure the 345 kV switchyard	Mar-19	4
Relocate the Chelsea capacitor bank to the 128-518 termination position	Dec-16	4



Greater Boston Projects, cont.

Status as of 1/26/2021

Plan Benefit: Addresses long-term system needs in the Greater Boston area and improves system reliability

Upgrade	Expected/ Actual In-Service	Present Stage
Upgrade North Cambridge to mitigate 115 kV 5 and 10 stuck breaker contingencies	Dec-17	4
Install a 200 MVAR STATCOM at Coopers Mills	Nov-18	4
Install a 115 kV 36.7 MVAR capacitor bank at Hartwell	May-17	4
Install a 345 kV 160 MVAR shunt reactor at K Street	Dec-19	4
Install a 115 kV breaker in series with the 5 breaker at Framingham	Apr-17	4
Install a 115 kV breaker in series with the 29 breaker at K Street	Apr-17	4



SEMA/RI Reliability Projects

Status as of 1/26/2021

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

Upgrade	Expected/ Actual In-Service	Present Stage
Construct a new 115 kV GIS switching station (Grand Army) which includes remote terminal station work at Brayton Point and Somerset substations, and the looping in of the E-183E, F-184, X3, and W4 lines	Oct-20	4
Conduct remote terminal station work at the Wampanoag and Pawtucket substations for the new Grand Army GIS switching station	Oct-20	4
Install upgrades at Brayton Point substation which include a new 115 kV breaker, new 345/115 kV transformer, and upgrades to E183E, F184 station equipment	Oct-20	4
Increase clearances on E-183E & F-184 lines between Brayton Point and Grand Army substations	Nov-19	4
Separate the X3/W4 DCT and reconductor the X3 and W4 lines between Somerset and Grand Army substations; reconfigure Y2 and Z1 lines	Nov-19	4



SEMA/RI Reliability Projects, cont.

Status as of 1/26/2021

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

Upgrade	Expected/ Actual In-Service	Present Stage
Add 115 kV circuit breaker at Robinson Ave substation and re-terminate the Q10 line	Dec-21	3
Install 45.0 MVAR capacitor bank at Berry Street substation	Cancelled*	N/A
Separate the N12/M13 DCT and reconductor the N12 and M13 between Somerset and Bell Rock substations	May-25	2
Reconfigure Bell Rock to breaker-and-a-half station, split the M13 line at Bell Rock substation, and terminate 114 line at Bell Rock; install a new breaker in series with N12/D21 tie breaker, upgrade D21 line switch, and install a 37.5 MVAR capacitor	Jun-23	2
Extend the Line 114 from the Dartmouth town line (Eversource-NGRID border) to Bell Rock substation	Dec-23	2
Reconductor L14 and M13 lines from Bell Rock substation to Bates Tap	Cancelled*	N/A

*Cancelled per ISO-NE PAC presentation on August 27, 2020

SEMA/RI Reliability Projects, cont.

Status as of 1/26/2021

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

Upgrade	Expected/ Actual In-Service	Present Stage
Build a new 115 kV line from Bourne to West Barnstable substations which includes associated terminal work	Dec-23	1
Separate the 135/122 DCT from West Barnstable to Barnstable substations	Dec-21	3
Retire the Barnstable SPS	Dec-21	3
Build a new 115 kV line from Carver to Kingston substations and add a new Carver terminal	Dec-23	1
Install a new bay position at Kingston substation to accommodate new 115 kV line	Dec-22	1
Extend the 114 line from the Eversource/National Grid border to the Industrial Park Tap	Dec-23	1



SEMA/RI Reliability Projects, cont.

Status as of 1/26/2021

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

Upgrade	Expected/ Actual In-Service	Present Stage
Install 35.3 MVAR capacitors at High Hill and Wing Lane substations	Dec-21	3
Loop the 201-502 line into the Medway substation to form the 201-502N and 201-502S lines	Jan-23	1
Separate the 325/344 DCT lines from West Medway to West Walpole substations	Cancelled**	N/A
Reconductor and upgrade the 112 Line from the Tremont substation to the Industrial Tap	Jun-18	4
Reconductor the 108 line from Bourne substation to Horse Pond Tap*	Oct-18	4
Replace disconnect switches on 323 line at West Medway substation and replace 8 line structures	Aug-20	4

* Does not include the reconductoring work over the Cape Cod canal

** Cancelled per ISO-NE PAC presentation on August 27, 2020



SEMA/RI Reliability Projects, cont.

Status as of 1/26/2021

Project Benefit: Addresses system needs in the Southeast Massachusetts/Rhode Island area

Upgrade	Expected/ Actual In-Service	Present Stage
Rebuild the Middleborough Gas and Electric portion of the E1 line from Bridgewater to Middleborough	Apr-19	4
Reconductor the J16S line	Jun-22	2
Replace the Kent County 345/115 kV transformer	Mar-22	2
West Medway 345 kV circuit breaker upgrades	Dec-21	3
Medway 115 kV circuit breaker replacements	Nov-20	4



Eastern CT Reliability Projects

Status as of 1/26/2021

Project Benefit: Addresses system needs in the Eastern Connecticut area

Upgrade	Expected/ Actual In-Service	Present Stage
Reconductor the L190-4 and L190-5 line sections	Dec-26	1
Install a second 345/115 kV autotransformer (4X) and one 345 kV breaker at Card substation	Mar-23	2
Upgrade Card 115 kV to BPS standards	Mar-23	2
Install one 115 kV circuit breaker in series with Card substation 4T	Mar-23	2
Convert Gales Ferry substation from 69 kV to 115 kV	Dec-23	1
Rebuild the 100 Line from Montville to Gales Ferry to allow operation at 115 kV	Dec-21	1



Eastern CT Reliability Projects, cont.

Status as of 1/26/2021

Project Benefit: Addresses system needs in the Eastern Connecticut area

Upgrade	Expected/ Actual In-Service	Present Stage
Re-terminate the 100 Line at Montville station and associated work. Energize the 100 Line at 115 kV	Dec-23	1
Rebuild 400-1 Line section to allow operation at 115 kV (Tunnel to Ledyard Jct.)	Dec-22	1
Add one 115 kV circuit breaker and re-terminate the 400-1 line section into Tunnel substation. Energize 400 Line at 115 kV	Dec-23	1
Rebuild 400-2 Line section to allow operation at 115 kV (Ledyard Jct. to Border Bus with CMEEC)	Dec-21	3
Rebuild the 400-3 Line Section to allow operation at 115 kV (Gales Ferry to Ledyard Jct.)	Dec-21	1
Install a 25.2 MVAR 115 kV capacitor and one capacitor breaker at Killingly	Mar-22	2



Eastern CT Reliability Projects, cont.

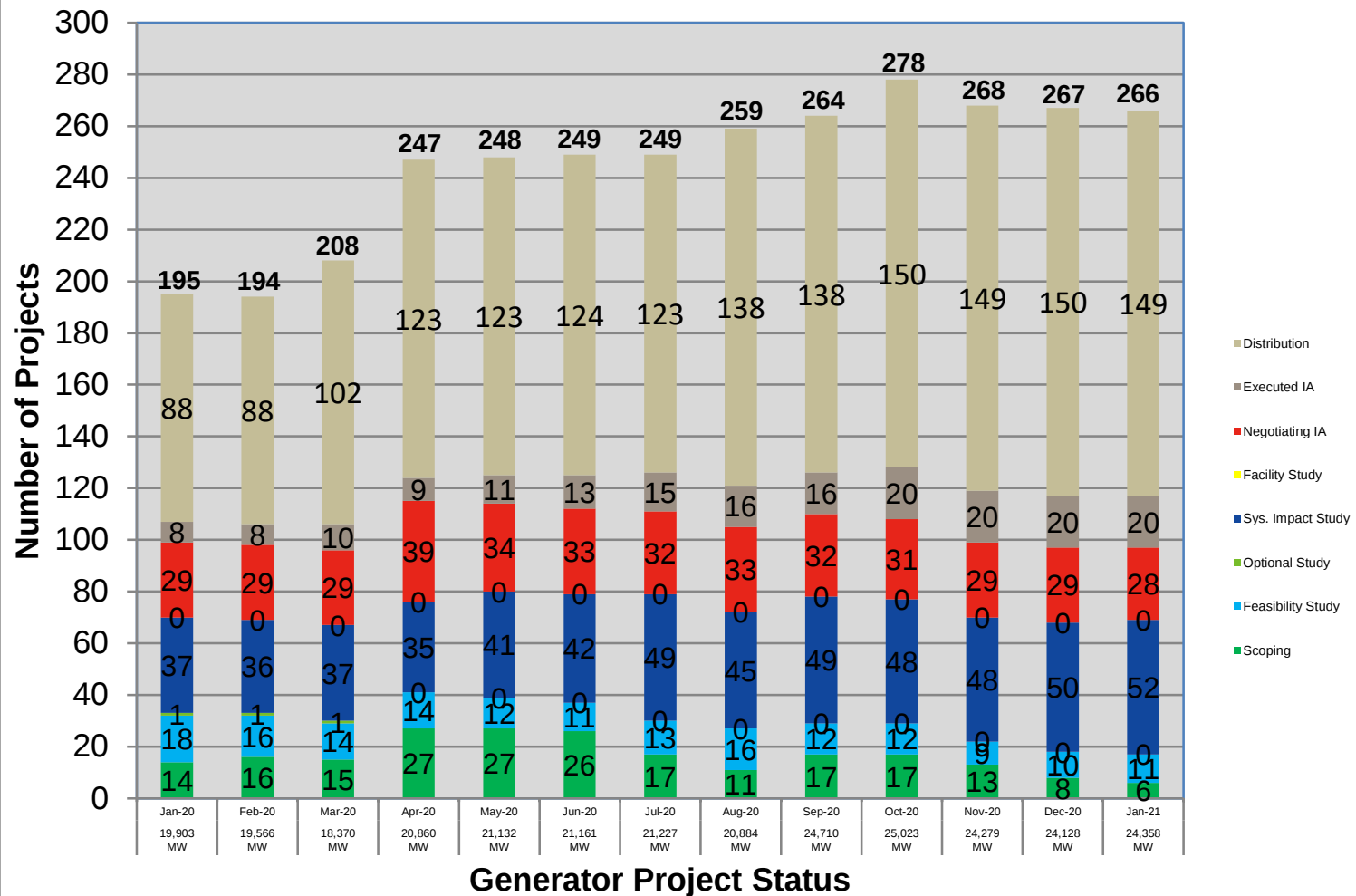
Status as of 1/26/2021

Project Benefit: Addresses system needs in the Eastern Connecticut area

Upgrade	Expected/ Actual In-Service	Present Stage
Install one 345 kV series breaker with the Montville 1T	June-22	2
Install a 50 MVAR synchronous condenser with two 115 kV breakers at Shunock	Dec-24	1
Install a 1% series reactor with bypass switch at Mystic, CT on the 1465 Line	Dec-22	1
Convert the 400-2 Line Section to 115 kV (Border Bus to Buddington), convert Buddington to 115 kV	Dec-23	1



Status of Tariff Studies



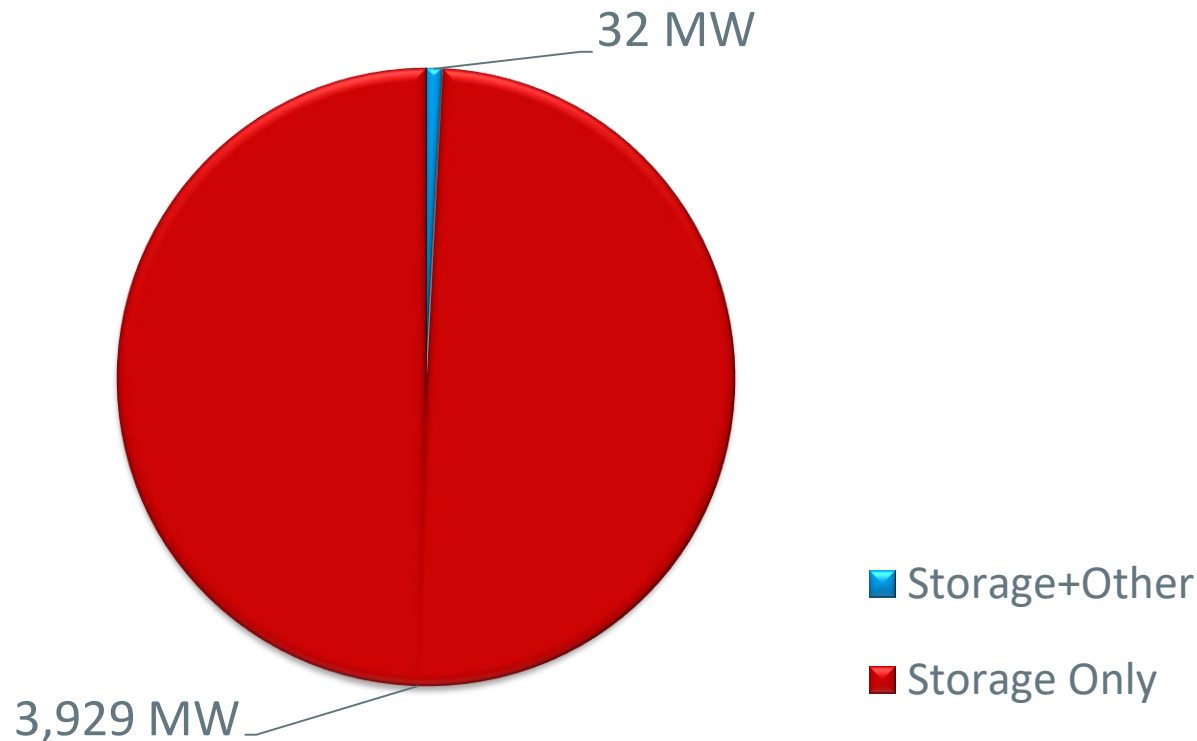
Note: January 2021 is based on partial data.

As of January 2021, there are 0 ETU's in Scoping, 0 in FS, 3 in SIS, 0 in OIS, 0 in FAC, 0 Negotiating IA, and 2 with Executed IA.

<https://irrt.iso-ne.com/external.aspx>

What is in the Queue (as of January 26, 2021)

Storage Projects are proposed as stand-alone storage or as co-located with wind or solar projects



OPERABLE CAPACITY ANALYSIS

Winter 2021 Analysis



Winter 2021 Operable Capacity Analysis

50/50 Load Forecast (Reference)	February - 2021 ² CSO (MW)	February - 2021 ² SCC (MW)
Operable Capacity MW ¹	30,435	33,677
Active Demand Capacity Resource (+) ⁵	427	400
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	1,142	1,142
Non Commercial Capacity (+)	19	19
Non Gas-fired Planned Outage MW (-)	684	945
Gas Generator Outages MW (-)	0	0
Allowance for Unplanned Outages (-) ⁴	3,100	3,100
Generation at Risk Due to Gas Supply (-) ³	2,335	2,666
Net Capacity (NET OPCAP SUPPLY MW)	25,904	28,527
Peak Load Forecast MW(adjusted for Other Demand Resources) ²	19,622	19,622
Operating Reserve Requirement MW	2,305	2,305
Operable Capacity Required (NET LOAD OBLIGATION MW)	21,927	21,927
Operable Capacity Margin	3,977	6,600

¹Operable Capacity is based on data as of **January 26, 2021** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **January 26, 2021**.

² Load forecast that is based on the 2020 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **February 13, 2021**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Winter 2021 Operable Capacity Analysis

90/10 Load Forecast (Extreme)	February - 2021 ² CSO (MW)	February - 2021 ² SCC (MW)
Operable Capacity MW ¹	30,435	33,677
Active Demand Capacity Resource (+) ⁵	427	400
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	1,142	1,142
Non Commercial Capacity (+)	19	19
Non Gas-fired Planned Outage MW (-)	684	945
Gas Generator Outages MW (-)	0	0
Allowance for Unplanned Outages (-) ⁴	3,100	3,100
Generation at Risk Due to Gas Supply (-) ³	3,425	3,911
Net Capacity (NET OPCAP SUPPLY MW)	24,814	27,282
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	20,247	20,247
Operating Reserve Requirement MW	2,305	2,305
Operable Capacity Required (NET LOAD OBLIGATION MW)	22,552	22,552
Operable Capacity Margin	2,262	4,730

¹ Operable Capacity is based on data as of **January 26, 2021** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **January 26, 2021**.

² Load forecast that is based on the 2020 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **February 13, 2021**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Winter 2021 Operable Capacity Analysis

50/50 Forecast (Reference)

ISO-NE OPERABLE CAPACITY ANALYSIS

January 29, 2021 - 50-50 FORECAST using CSO

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week during June, July, August, and Mid September

STUDY WEEK (Week Beginning, Saturday)	AVAILABLE OPCAP MW	Active Capacity Demand MW	EXTERNAL NODE AVAIL CAPACITY MW	NON COMMERCIAL CAPACITY MW	NON-GAS PLANNED OUTAGES CSO MW	GAS GENERATOR OUTAGES CSO MW	ALLOWANCE FOR UNPLANNED OUTAGES MW	GAS AT RISK MW	NET OPCAP SUPPLY MW	PEAK LOAD FORECAST MW	OPER RESERVE REQUIREMENT MW	NET LOAD OBLIGATION MW	OPCAP MARGIN MW
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
2/6/2021	30435	427	1142	19	303	295	3100	2351	25974	19652	2305	21957	4017
2/13/2021	30435	427	1142	19	684	0	3100	2335	25904	19622	2305	21927	3977
2/20/2021	30435	427	1142	19	737	0	3100	1868	26318	19346	2305	21651	4667
2/27/2021	30505	505	1025	19	1193	0	2200	1557	27104	18308	2305	20613	6491
3/6/2021	30505	505	1025	19	1858	0	2200	1245	26751	17941	2305	20246	6505
3/13/2021	30505	505	1025	19	1828	250	2200	373	27403	17736	2305	20041	7362
3/20/2021	30505	505	1025	19	1692	1558	2200	0	26604	17352	2305	19657	6947
3/27/2021	30461	537	1025	19	727	299	2700	0	28316	16759	2305	19064	9252

1. Available OPCAP MW based on resource Capacity Supply Obligations, CSO. Does not include Settlement Only Generators.
2. The active demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity Market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
3. External Node Available Capacity MW based on the sum of external Capacity Supply Obligations (CSO) imports and exports.
4. New resources and generator improvements that have acquired a CSO but have not become commercial.
5. Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.
6. All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
7. Allowance for Unplanned Outages includes forced outages and maintenance outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
8. Generation at Risk due to Gas Supply pertains to gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
9. Net OpCap Supply MW Available $(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 = 9)$
10. Peak Load Forecast as provided in the 2020 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) of 25,125 and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV)
11. Operating Reserve Requirement based on 120% of first largest contingency plus 50% of the second largest contingency.
12. Total Net Load Obligation per the formula $(10 + 11 = 12)$
13. Net OPCAP Margin MW = Net Op Cap Supply MW minus Net Load Obligation $(9 - 12 = 13)$

Winter 2021 Operable Capacity Analysis

90/10 Forecast (Extreme)

ISO-NE OPERABLE CAPACITY ANALYSIS

January 29, 2021 - 90-10 FORECAST using CSO

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week during June, July, August, and Mid September

STUDY WEEK (Week Beginning, Saturday)	AVAILABLE OPCAP MW	Active Capacity Demand MW	EXTERNAL NODE AVAIL CAPACITY MW	NON COMMERCIAL CAPACITY MW	NON-GAS PLANNED OUTAGES CSO MW	GAS GENERATOR OUTAGES CSO MW	ALLOWANCE FOR UNPLANNED OUTAGES MW	GAS AT RISK MW	NET OPCAP SUPPLY MW	PEAK LOAD FORECAST MW	OPER RESERVE REQUIREMENT MW	NET LOAD OBLIGATION MW	OPCAP MARGIN MW
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
2/6/2021	30435	427	1142	19	303	295	3100	3441	24884	20278	2305	22583	2301
2/13/2021	30435	427	1142	19	684	0	3100	3425	24814	20247	2305	22552	2262
2/20/2021	30435	427	1142	19	737	0	3100	2802	25384	19963	2305	22268	3116
2/27/2021	30505	505	1025	19	1193	0	2200	2335	26326	18897	2305	21202	5124
3/6/2021	30505	505	1025	19	1858	0	2200	2179	25817	18520	2305	20825	4992
3/13/2021	30505	505	1025	19	1828	250	2200	1307	26469	18309	2305	20614	5855
3/20/2021	30505	505	1025	19	1692	1558	2200	0	26604	17915	2305	20220	6384
3/27/2021	30461	537	1025	19	727	299	2700	324	27992	17305	2305	19610	8382

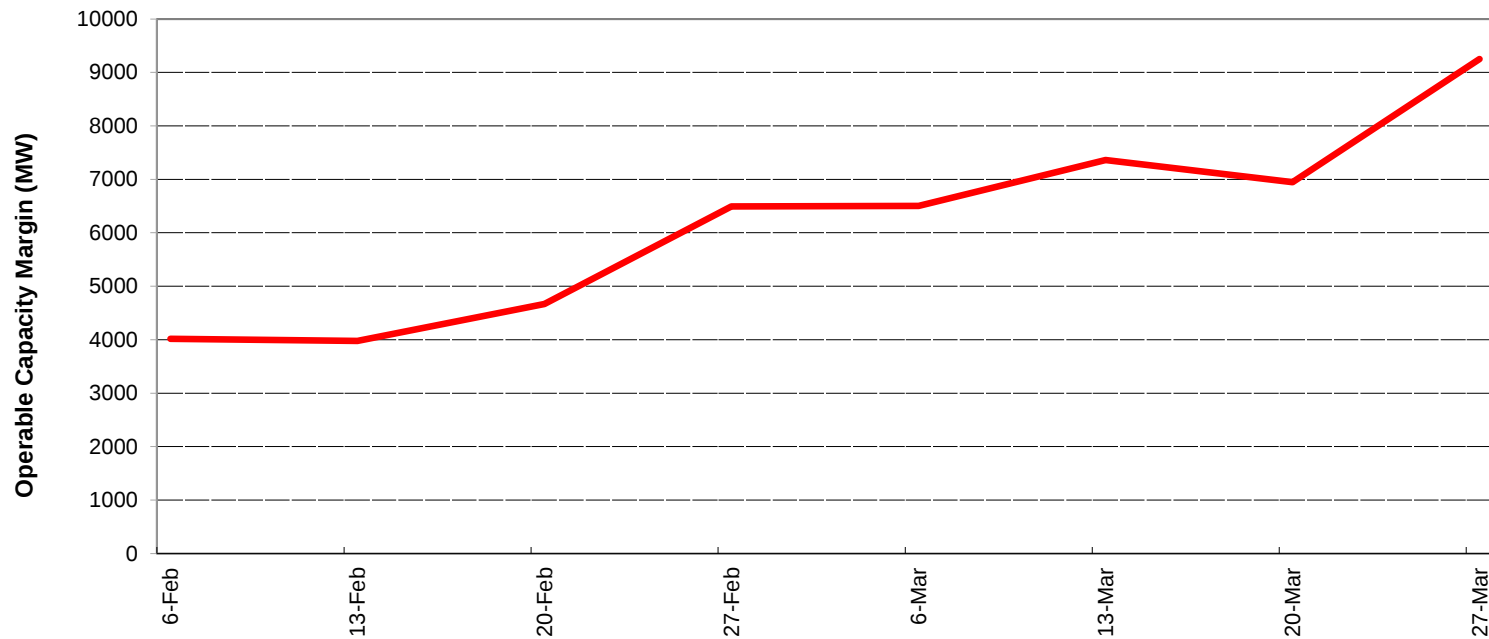
1. Available OPCAP MW based on resource Capacity Supply Obligations, CSO. Does not include Settlement Only Generators.
2. The active demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity Market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
3. External Node Available Capacity MW based on the sum of external Capacity Supply Obligations (CSO) imports and exports.
4. New resources and generator improvements that have acquired a CSO but have not become commercial.
5. Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.
6. All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
7. Allowance for Unplanned Outages includes forced outages and maintenance outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
8. Generation at Risk due to Gas Supply pertains to gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
9. Net OpCap Supply MW Available $(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 = 9)$
10. Peak Load Forecast as provided in the 2020 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) of 27,084 and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV)
11. Operating Reserve Requirement based on 120% of first largest contingency plus 50% of the second largest contingency.
12. Total Net Load Obligation per the formula $(10 + 11 = 12)$
13. Net OPCAP Margin MW = Net Op Cap Supply MW minus Net Load Obligation $(9 - 12 = 13)$

*Highlighted week is based on the week determined by the 50/50 Load Forecast Reference week

Winter 2021 Operable Capacity Analysis

50/50 Forecast (Reference)

2021 ISO-NEW ENGLAND OPERABLE CAPACITY
-50/50 CSO-

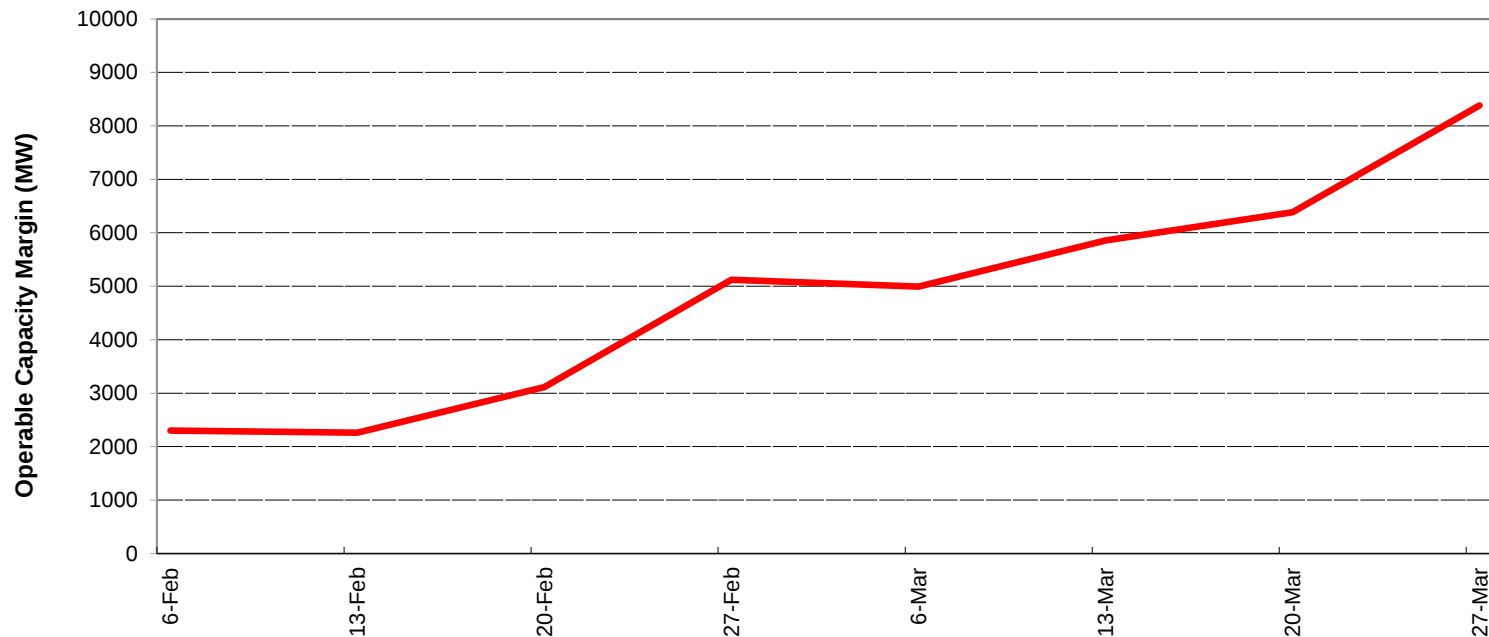


February 6, 2021 - April 2, 2021 W/B Saturday

Winter 2021 Operable Capacity Analysis

90/10 Forecast (Extreme)

2021 ISO-NEW ENGLAND OPERABLE CAPACITY
-90/10 CSO-



February 6, 2021 - April 2, 2021 W/B Saturday

OPERABLE CAPACITY ANALYSIS

Preliminary Spring 2021 Analysis



Preliminary Spring 2021 Operable Capacity Analysis

50/50 Load Forecast (Reference)	May - 2021 ² CSO (MW)	May - 2021 ² SCC (MW)
Operable Capacity MW ¹	30,461	33,677
Active Demand Capacity Resource (+) ⁵	537	436
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	1,025	1,025
Non Commercial Capacity (+)	19	19
Non Gas-fired Planned Outage MW (-)	2,649	2,918
Gas Generator Outages MW (-)	2,433	2,710
Allowance for Unplanned Outages (-) ⁴	3,400	3,400
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	23,560	26,129
Peak Load Forecast MW (adjusted for Other Demand Resources) ²	18,118	18,118
Operating Reserve Requirement MW	2,305	2,305
Operable Capacity Required (NET LOAD OBLIGATION MW)	20,423	20,423
Operable Capacity Margin	3,137	5,706

¹Operable Capacity is based on data as of **January 26, 2021** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **January 26, 2021**.

² Load forecast that is based on the 2020 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **May 8, 2021**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Preliminary Spring 2021 Operable Capacity Analysis

90/10 Load Forecast (Extreme)	May - 2021 ² CSO (MW)	May - 2021 ² SCC (MW)
Operable Capacity MW ¹	30,461	33,677
Active Demand Capacity Resource (+) ⁵	537	436
External Node Available Net Capacity, CSO imports minus firm capacity exports (+)	1,025	1,025
Non Commercial Capacity (+)	19	19
Non Gas-fired Planned Outage MW (-)	2,649	2,918
Gas Generator Outages MW (-)	2,433	2,710
Allowance for Unplanned Outages (-) ⁴	3,400	3,400
Generation at Risk Due to Gas Supply (-) ³	0	0
Net Capacity (NET OPCAP SUPPLY MW)	23,560	26,129
Peak Load Forecast MW(adjusted for Other Demand Resources) ²	19,612	19,612
Operating Reserve Requirement MW	2,305	2,305
Operable Capacity Required (NET LOAD OBLIGATION MW)	21,917	21,917
Operable Capacity Margin	1,643	4,212

¹Operable Capacity is based on data as of **January 26, 2021** and does not include Capacity associated with Settlement Only Generators, Passive and Active Demand Response, and external capacity. The Capacity Supply Obligation (CSO) and Seasonal Claim Capability (SCC) values are based on data as of **January 26, 2021**.

² Load forecast that is based on the 2020 CELT report and represents the week with the lowest Operable Capacity Margin, week beginning **May 8, 2021**.

³ Total of (Gas at Risk MW) – (Gas Gen Outages MW).

⁴ Allowance For Unplanned Outage MW is based on the month corresponding to the day with the lowest Operable Capacity Margin for the week.

⁵ Active Demand Capacity Resources (ADCRs) can participate in the Forward Capacity Market (FCM), have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.

Preliminary Spring 2021 Operable Capacity Analysis

50/50 Forecast (Reference)

ISO-NE OPERABLE CAPACITY ANALYSIS

January 29, 2021 - 50-50 FORECAST using CSO

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week during June, July, August, and Mid September

STUDY WEEK (Week Beginning, Saturday)	AVAILABLE OPCAP MW	Active Capacity Demand MW	EXTERNAL NODE AVAIL CAPACITY MW	NON COMMERCIAL CAPACITY MW	NON-GAS PLANNED OUTAGES CSO MW	GAS GENERATOR OUTAGES CSO MW	ALLOWANCE FOR UNPLANNED OUTAGES MW	GAS AT RISK MW	NET OPCAP SUPPLY MW	PEAK LOAD FORECAST MW	OPER RESERVE REQUIREMENT MW	NET LOAD OBLIGATION MW	OPCAP MARGIN MW
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	
4/3/2021	30461	537	1025	19	3107	2189	2700	0	24046	16134	2305	18439	5607
4/10/2021	30461	537	1025	19	5274	2174	2700	0	21894	15870	2305	18175	3719
4/17/2021	30461	537	1025	19	5315	1375	2700	0	22652	15335	2305	17640	5012
4/24/2021	30461	537	1025	19	3516	1658	2700	0	24168	15057	2305	17362	6806
5/1/2021	30461	537	1025	19	3032	1983	3400	0	23627	15029	2305	17334	6293
5/8/2021	30461	537	1025	19	2649	2433	3400	0	23560	18118	2305	20423	3137
5/15/2021	30461	537	1025	19	1362	1812	3400	0	25468	19152	2305	21457	4011
5/22/2021	30461	537	1025	19	1176	1213	3400	0	26253	20113	2305	22418	3835

1. Available OPCAP MW based on resource Capacity Supply Obligations, CSO. Does not include Settlement Only Generators.
2. The active demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity Market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
3. External Node Available Capacity MW based on the sum of external Capacity Supply Obligations (CSO) imports and exports.
4. New resources and generator improvements that have acquired a CSO but have not become commercial.
5. Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.
6. All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
7. Allowance for Unplanned Outages includes forced outages and maintenance outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
8. Generation at Risk due to Gas Supply pertains to gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
9. Net OpCap Supply MW Available $(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 = 9)$
10. Peak Load Forecast as provided in the 2020 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) of 25,125 and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV)
11. Operating Reserve Requirement based on 120% of first largest contingency plus 50% of the second largest contingency.
12. Total Net Load Obligation per the formula $(10 + 11 = 12)$
13. Net OPCAP Margin MW = Net Op Cap Supply MW minus Net Load Obligation $(9 - 12 = 13)$

Preliminary Spring 2021 Operable Capacity Analysis

90/10 Forecast (Extreme)

ISO-NE OPERABLE CAPACITY ANALYSIS

January 29, 2021 - 90-10 FORECAST using CSO

This analysis is a tabulation of weekly assessments shown in one single table. The information shows the operable capacity situation under assumed conditions for each week. It is not expected that the system peak will occur every week during June, July, August, and Mid September

STUDY WEEK (Week Beginning, Saturday)	AVAILABLE OPCAP MW	Active Capacity Demand MW	EXTERNAL NODE AVAIL CAPACITY MW	NON COMMERCIAL CAPACITY MW	NON-GAS PLANNED OUTAGES CSO MW	GAS GENERATOR OUTAGES CSO MW	ALLOWANCE FOR UNPLANNED OUTAGES MW	GAS AT RISK MW	NET OPCAP SUPPLY MW	PEAK LOAD FORECAST MW	OPER RESERVE REQUIREMENT MW	NET LOAD OBLIGATION MW	OPCAP MARGIN MW
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	
4/3/2021	30461	537	1025	19	3107	2189	2700	0	24046	16667	2305	18972	5074
4/10/2021	30461	537	1025	19	5274	2174	2700	0	21894	16395	2305	18700	3194
4/17/2021	30461	537	1025	19	5315	1375	2700	0	22652	15846	2305	18151	4501
4/24/2021	30461	537	1025	19	3516	1658	2700	0	24168	15560	2305	17865	6303
5/1/2021	30461	537	1025	19	3032	1983	3400	0	23627	15531	2305	17836	5791
5/8/2021	30461	537	1025	19	2649	2433	3400	0	23560	19612	2305	21917	1643
5/15/2021	30461	537	1025	19	1362	1812	3400	0	25468	20716	2305	23021	2447
5/22/2021	30461	537	1025	19	1176	1213	3400	0	26253	21741	2305	24046	2207

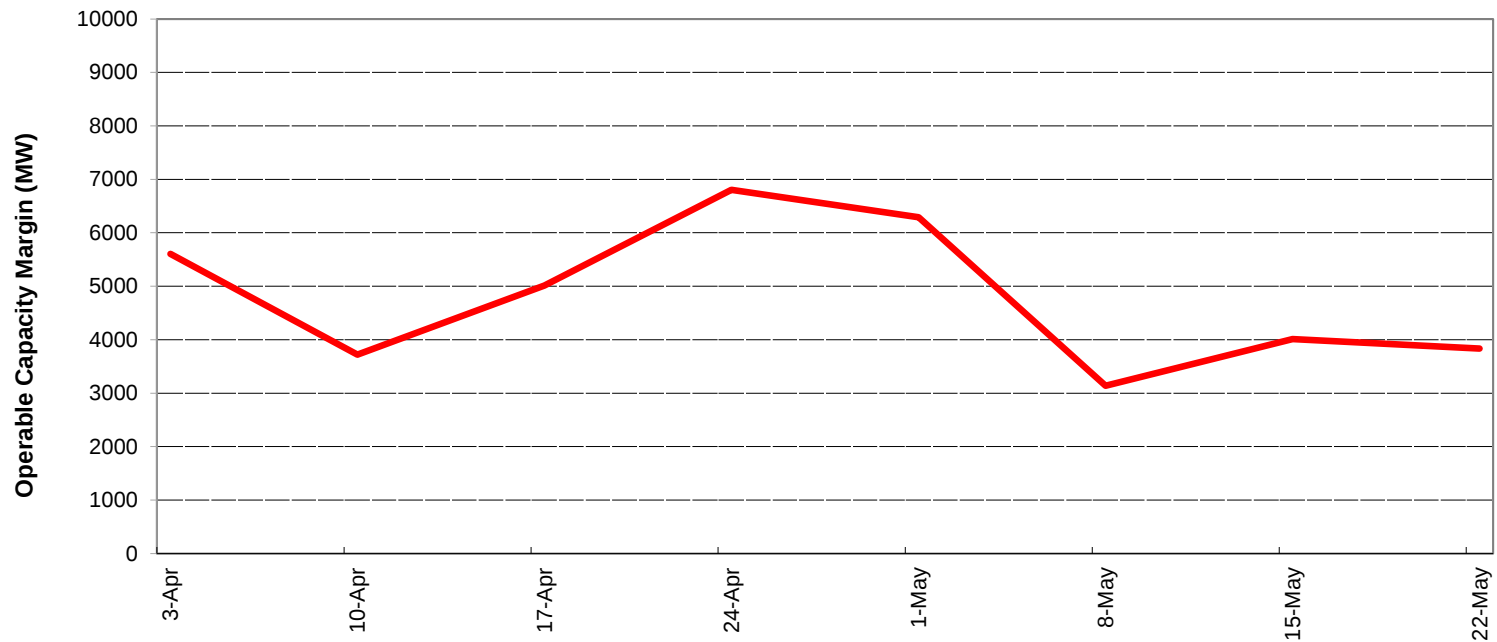
1. Available OPCAP MW based on resource Capacity Supply Obligations, CSO. Does not include Settlement Only Generators.
2. The active demand resources known as Real-Time Demand Response (RTDR) will become Active Demand Capacity Resources (ADCRs) and can participate in the Forward Capacity Market (FCM). These resources will have the ability to obtain a CSO and also participate in the Day-Ahead and Real-Time Energy Markets.
3. External Node Available Capacity MW based on the sum of external Capacity Supply Obligations (CSO) imports and exports.
4. New resources and generator improvements that have acquired a CSO but have not become commercial.
5. Non-Gas Planned Outages is the total of Non Gas-fired Generator/DARD Outages for the period. This value would also include any known long-term Non Gas-fired Forced Outages.
6. All Planned Gas-fired generation outage for the period. This value would also include any known long-term Gas-fired Forced Outages.
7. Allowance for Unplanned Outages includes forced outages and maintenance outages scheduled less than 14 days in advance per ISO New England Operating Procedure No. 5 Appendix A.
8. Generation at Risk due to Gas Supply pertains to gas fired capacity expected to be at risk during cold weather conditions or gas pipeline maintenance outages.
9. Net OpCap Supply MW Available $(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 = 9)$
10. Peak Load Forecast as provided in the 2020 CELT Report and adjusted for Passive Demand Resources assumes Peak Load Exposure (PLE) of 27,084 and does include credit of Passive Demand Response (PDR) and behind-the-meter PV (BTM PV)
11. Operating Reserve Requirement based on 120% of first largest contingency plus 50% of the second largest contingency.
12. Total Net Load Obligation per the formula $(10 + 11 = 12)$
13. Net OPCAP Margin MW = Net Op Cap Supply MW minus Net Load Obligation $(9 - 12 = 13)$

*Highlighted week is based on the week determined by the 50/50 Load Forecast Reference week

Preliminary Spring 2021 Operable Capacity Analysis

50/50 Forecast (Reference)

2021 ISO-NEW ENGLAND OPERABLE CAPACITY
-50/50 CSO-



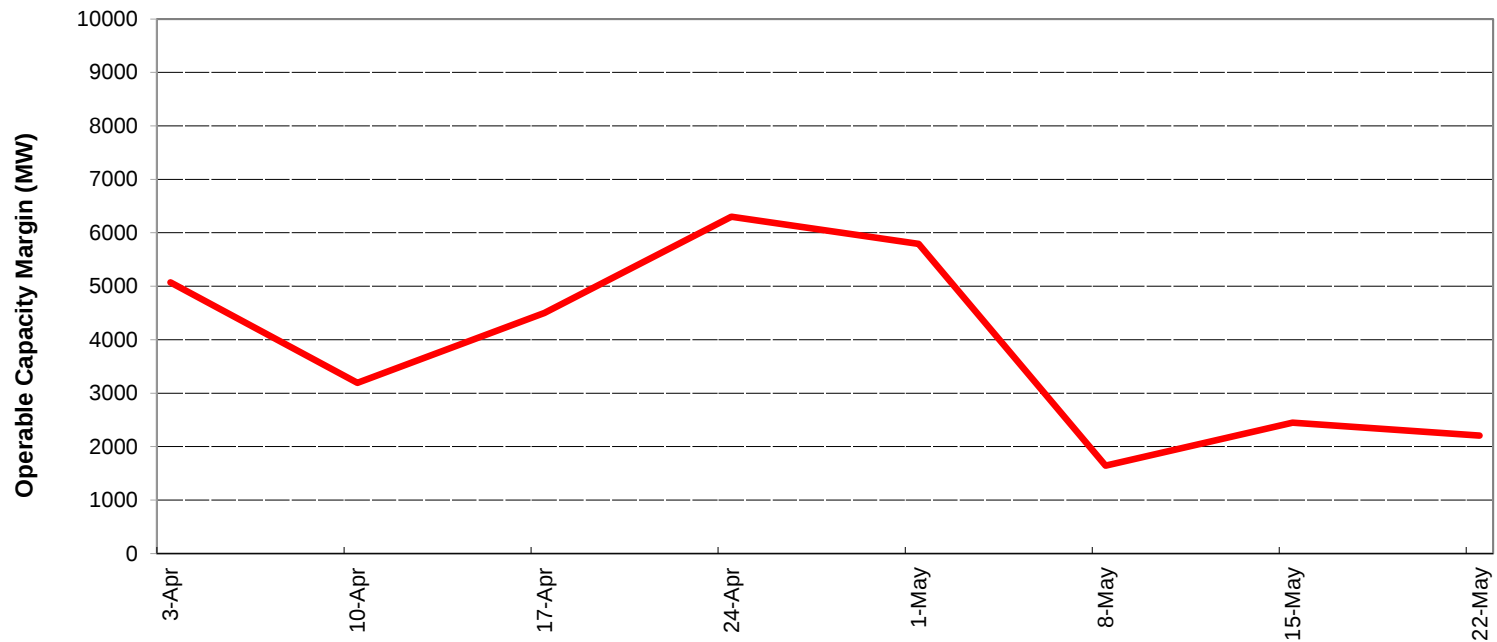
April 3, 2021 - May 28, 2021 W/B Saturday



Preliminary Spring 2021 Operable Capacity Analysis

90/10 Forecast (Extreme)

2021 ISO-NEW ENGLAND OPERABLE CAPACITY
-90/10 CSO-



April 3, 2021 - May 28, 2021 W/B Saturday

OPERABLE CAPACITY ANALYSIS

Appendix



Possible Relief Under OP4: Appendix A

OP 4 Action Number	Page 1 of 2 Action Description	Amount Assumed Obtainable Under OP 4 (MW)
1	Implement Power Caution and advise Resources with a CSO to prepare to provide capacity and notify “Settlement Only” generators with a CSO to monitor reserve pricing to meet those obligations. Begin to allow the depletion of 30-minute reserve.	0 ¹ 600
2	Declare Energy Emergency Alert (EEA) Level 1 ⁴	0
3	Voluntary Load Curtailment of Market Participants’ facilities.	40 ²
4	Implement Power Watch	0
5	Schedule Emergency Energy Transactions and arrange to purchase Control Area-to-Control Area Emergency	1,000
6	Voltage Reduction requiring > 10 minutes	125 ³

NOTES:

1. Based on Summer Ratings. Assumes 25% of total MW Settlement Only units <5 MW will be available and respond.
2. The actual load relief obtained is highly dependent on circumstances surrounding the appeals, including timing and the amount of advanced notice that can be given.
3. The MW values are based on a 25,000 MW system load and verified by the most recent voltage reduction test.
4. EEA Levels are described in Attachment 1 to NERC Reliability Standard EOP-011 - Emergency Operations



Possible Relief Under OP4: Appendix A

OP 4 Action Number	Page 2 of 2 Action Description	Amount Assumed Obtainable Under OP 4 (MW)
7	Request generating resources not subject to a Capacity Supply Obligation to voluntary provide energy for reliability purposes	0
8	5% Voltage Reduction requiring 10 minutes or less	250 ³
9	Transmission Customer Generation Not Contractually Available to Market Participants during a Capacity Deficiency. Voluntary Load Curtailment by Large Industrial and Commercial Customers.	5 200 ²
10	Radio and TV Appeals for Voluntary Load Curtailment Implement Power Warning	200 ²
11	Request State Governors to Reinforce Power Warning Appeals.	100 ²
Total		2,520

NOTES:

1. Based on Summer Ratings. Assumes 25% of total MW Settlement Only units <5 MW will be available and respond.
2. The actual load relief obtained is highly dependent on circumstances surrounding the appeals, including timing and the amount of advanced notice that can be given.
3. The MW values are based on a 25,000 MW system load and verified by the most recent voltage reduction test.
4. EEA Levels are described in Attachment 1 to NERC Reliability Standard EOP-011 - Emergency Operations

EXECUTIVE SUMMARY
Status Report of Current Regulatory and Legal Proceedings
as of February 2, 2021

The following activity, as more fully described in the attached litigation report, has occurred since the report dated January 6, 2021 ("last Report") was circulated. New matters/proceedings since the last Report are preceded by an asterisk '*'. Page numbers precede the matter description.

COVID-19



2	Extension of Filing Deadlines (AD20-11)	Jan 25	FERC further extends through Jul 30, 2021 waiver of FERC regulations that require filings be notarized or supported by sworn declarations
2	Blanket Waiver of ISO/RTO Tariff In-Person Meeting and Notarization Requirements (EL20-37)	Jan 25	FERC also further extends through Jul 30, 2021 blanket waivers of ISO/RTO Tariff in-person meeting and notarization requirements

I. Complaints/Section 206 Proceedings



2	NEPGA Net CONE Complaint (EL21-26)	Jan 8	NEPGA files answer to ISO-NE Answer and to other comments and protests filed in response to its Complaint
		Jan 25	ISO-NE files answer to NEPGA Jan 8 Answer
4	RNS/LNS Rates and Rate Protocols Settlement Agreement II (ER20-2054)	Jan 27	TOs submit compliance filing to establish effective dates for the ISO-NE Tariff records that implement FERC-approved Settlement Agreement II

II. Rate, ICR, FCA, Cost Recovery Filings



* 7	Bucksport CIP IROL (Schedule 17) Cost Recovery Filing (ER21-957)	Jan 27	Bucksport requests FERC acceptance of a proposed rate schedule to allow Bucksport to begin the recovery period for certain CIP-IROL Costs under Schedule 17 of the ISO-NE Tariff; comment date Feb 17, 2021
		Feb 1	NESCOE intervenes
* 8	Stonepeak Kestrel CIP IROL (Schedule 17) Cost Recovery Filing (ER21-956)	Jan 27	Dynegy requests FERC acceptance of a proposed rate schedule to allow Dynegy to begin the recovery period for certain CIP-IROL Costs under Schedule 17; comment date Feb 17, 2021
		Feb 1	NESCOE intervenes
8	Dynegy CIP IROL (Schedule 17) Cost Recovery Filing (ER21-774)	Jan 21	NRG intervenes
8	IRH Amended and Restated Support and Use Agreements (ER21-712)	Jan 13	Eversource intervenes out-of-time
9	ICR-Related Values and HQICCs – Annual Reconfiguration Auctions (ER21-496)	Jan 21	FERC accepts ARA ICR-Related Values and HQICCs, eff. Jan 24, 2021
9	FCA15 Qualification Informational Filing (ER21-372)	Jan 11 Jan 22	Andro Hydro answers IMM Dec 10 Answer FERC accepts FCA15 Info Filing; directs ISO-NE to modify the FCA Qualified Capacity values for two New Generating Capacity Resources that ISO-NE identified it had incorrectly calculated during the qualification process
10	ICR-Related Values and HQICCs – FCA15 (2024-25) Capacity Commitment Period (ER21-371)	Jan 7	FERC accepts FCA15 Values, eff. Jan 9, 2021

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

- | | | | |
|------|--|--------------|---|
| * 11 | Elimination of Price Lock and Zero-Price Offer Rule for New Entrants Starting in FCA16 (ER21-1010) | Feb 1 | ISO-NE submits Tariff revisions eliminating the price lock and associated zero-price offer rule for new entrants starting in FCA16; comment date Feb 22, 2021 |
| * 12 | EER Exemption from PFP Settlement (ER21-943) | Jan 26 | ISO-NE files Tariff revisions to exclude Energy Efficiency resources from PFP obligations and settlement in all hours (capacity base payments unaffected); comment date Feb 16, 2021 |
| | | Jan 29-Feb 2 | NEPOOL; Dominion; LS Power, NESCOE intervene |
| 12 | Updated CONE, Net Cone and PPR Values (eff. FCA16) (ER21-787) | Jan 8-19 | BSW Project Co, Cogentrix, Eversource, CT AG, CT OCC, CT DEEP, CT PURA, National Grid (out-of-time), NHEC, NRG, Vistra, EPSA, MA DPU (out-of-time) intervene |
| | | Jan 21 | NEPOOL , MMWEC , NESCOE , CT Agencies file comments; CPV Towantic , Dominion , FirstLight , NEPGA , NEI file protests |
| 12 | New DDBT Methodology (ER21-782) | Jan 11-20 | BSW Project Co, CPV Towantic, Eversource, Vistra, EPSA intervene |
| | | Jan 21 | ISO-NE IMM , Calpine/Vistra , NEPGA file supporting comments |
| 13 | CASPR (ER18-619) | Jan 21 | FERC issues notice that Sierra Club/NRDC/CLF request for rehearing of the Nov 19 <i>CASPR Allegheny Order</i> is denied by operation of law and will be addressed in a future order |

V. OATT Amendments / TOAs / Coordination Agreements

- | | | | |
|------|--|--------|--|
| * 14 | Order 676-I Compliance Filing (ER21-946) | Jan 26 | ISO-NE and NEPOOL file changes to incorporate by reference in Schedule 24 of the OATT the latest version (Version 003.2) of certain NAESB WEQ Standards for Business Practices and Communication Protocols; comment date Feb 16, 2021 |
|------|--|--------|--|

V. Financial Assurance/Billing Policy Amendments

- | | | | |
|----|---|-----------|---|
| 14 | FAP Info Disclosure/KYC Requirements (ER21-816) | Jan 11-27 | Boston Energy Trading and Marketing, Brookfield, Calpine, DC Energy, Eversource, National Grid, NRG intervene |
|----|---|-----------|---|

VI. Schedule 20/21/22/23 Changes

- | | | | |
|------|--|--------|---|
| * 14 | Sched. 20A-VP: Versant Power-Vitol Phase I/II HVDC-TF Service Agreement (ER21-827) | Jan 7 | Versant files a non-conforming Phase I/II HVDC-TF Service Agreement between itself and Vitol for firm service under Sched. VP-20A |
| | | Jan 26 | Vitol intervenes |
| * 15 | Schedule 21-GMP True Up Calc. Forecast Info Report (ER12-2304) | Jan 15 | GMP supplements 2021 forecasted rates info filing |

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activity to Report

VIII. Regional Reports

- | | | | |
|------|--|--------|---|
| * 16 | Transmission Projects Annual Info Filing (ER13-193) | Jan 31 | ISO-NE files annual informational filing of projects on the RSP project list that had a year of need 3 years or less from the completion of the Needs Assessment as required under OATT § 4.1(j)(iii) |
| * 16 | LFTR Implementation: 49th Quarterly Status Report (ER07-476) | Jan 15 | ISO-NE files its 49th quarterly report |

IX. Membership Filings

- | | | | |
|------|---|--------|---|
| * 16 | February 2021 Membership Filing (ER21-1008) | Jan 29 | Memberships: Axpo U.S.; Catalyst Power & Gas; Palm Energy; Madison ESS; Rumford ESS; Vineyard Reliability; West Medway II; and Dick Brooks. Terminations: Energy Federation Inc.; Great American Power; Oasis Power; Praxair; Rubicon NYP; and Verde Group; Name Change: Utility Services of Vermont; comment date Feb 22, 2021 |
| 17 | December 2020 Membership Filing (ER21-499) | Jan 29 | FERC accepts termination of the Participant status of Eagle's View Partners; Goose River Hydro; Patriot Partnership; SFE Energy Connecticut; and Emera Energy Services Sub. No. 9 |
| * 17 | Suspension Notice – NTE Connecticut, LLC (not docketed) | Jan 29 | ISO-NE files notice of suspension of NTE Connecticut, LLC from the New England Markets |
| * 17 | Suspension Notice – Verde Group, LLC (not docketed) | Jan 7 | ISO-NE files notice of suspension of Verde Group from the New England Markets |

X. Misc. - ERO Rules, Filings; Reliability Standards**XI. Misc. - of Regional Interest**

- | | | | |
|------|--|--------|--|
| 20 | 203 Application: CPV Towantic (EC21-16) | Jan 26 | CPV Group notifies the FERC of the Jan 25 consummation of the transition following which CPV Towantic is no longer a Related Person to Clearway Power Marketing or GenConn |
| 21 | 203 Application: NRG/Direct (EC20-96) | Jan 7 | NRG files on Jan 5 a notice that it consummated its acquisition of, among others, Direct Energy Business and Direct Energy Business Mktg. |
| 21 | 203 Application: CMP/NECEC (EC20-24) | Jan 13 | CMP files notice that on Jan 4, 2021 it transferred, as authorized, 7 TSAs to NECEC Transmission LLC |
| * 21 | SGIA Cancellation: CL&P/Covanta Wallingford (ER21-867) | Jan 11 | CL&P submits notice of cancellation of SGIA |
| * 21 | LGIA Cancellation: Mt. Tom (ER21-845) | Jan 7 | ISO-NE and Eversource file a notice of cancellation of the LGIA governing the interconnection of Mt. Tom Station |
| 22 | NECEC TSAs: NECEC Transmission Notices of Succession and CMP Notice of Cancellation (ER21-12 et al.) | Jan 8 | NECEC notified the FERC that it succeeded to the 7 TSAs with the participants that will fund the construction, operation and maintenance of the NECEC Transmission Line, eff. Jan 4, 2021 |
| 23 | Orders 864/864-A (Public Util. Trans. ADIT Rate Changes): New England Compliance Filings (various) | Jan 7 | VETCO amends its compliance filing by (i) adding a revised permanent worksheet; and (ii) stating that ADIT amortization will be collected in the next billing cycle following FERC acceptance |
| * 24 | FERC Enforcement Action: NRG Power Marketing (IN20-4) | Jan 8 | FERC approves, in a 2-1 decision (Danly dissenting), a Stipulation and Consent Agreement with NRG Power Marketing, requiring NRG to pay a \$85,000 civil penalty to resolve the FERC's investigation into whether NRG violated the FERC's Anti-Manipulation Rules, ISO-NE Market Rule 1, § III.13 and FERC regulations when it submitted inaccurate cost-based static de-list bids for FCA11 for Middletown and Montville |

XII. Misc. - Administrative & Rulemaking Proceedings

- | | | | |
|----|---------------------------|--------|--|
| 26 | Hybrid Resources (AD20-9) | Jan 19 | FERC issues an order directing each ISO/RTO to submit report on Hybrid Resource Issues within 6 months |
|----|---------------------------|--------|--|

28	NOPR: Managing Transmission Line Ratings (RM20-16)	Jan 14	PacifiCorp submits comments; Comment date Mar 22, 2021
----	--	--------	---

XIII. Natural Gas Proceedings



34	New England Pipeline Proceedings • Iroquois ExC Project (CP20-48)	Jan 26	Iroquois requests FERC act promptly and issue the certificate of public convenience and necessity
* 36	Enforcement Action: Freeport LNG (IN21-7)	Jan 28	FERC approves a Stipulation and Consent Agreement that resolved OE's investigation into whether Freeport LNG violated Section 3(e) of the NGA and the FERC's Order in <i>Freeport LNG Dev., L.P.</i> ; Freeport LNG must pay a \$500,00 civil penalty to the US Treasury
* 36	Enforcement Action: Tres Palacios (IN21-3)	Jan 19	FERC approves a Stipulation and Consent Agreement that resolved OE's investigation into whether Tres Palacios Freeport LNG violated Section 7(e) of the NGA or its order issuing certificates; Tres Palacios must pay a \$700,00 civil penalty to the US Treasury
36	Enforcement Action: BP Initial Decision (IN13-15)	Jan 19	BP submits notice that it disgorged \$250,295 (\$207,169 principal plus interest), divided equally (\$83,431.67) among 3 charities, under protest and with full reservation of rights pending the outcome of judicial review of <i>Opinion 549/549-A</i>

XIV. State Proceedings & Federal Legislative Proceedings



37	New England States' Vision Statement / On-Line Technical Forums	Jan 13 Jan 25 Feb 2	Wholesale Market Reform Day 1 Wholesale Market Reform Day 2 Transmission Planning Governance Reform to be held Feb 25, 2021
----	---	---------------------------	--

XV. Federal Courts



39	Exelon PP-10 Complaint (20-1509)	Jan 14-19 Jan 21 Jan 22	ISO-NE, NESCOE, CT PURA, MMWEC, Vistra/Dynegy intervene Exelon files docketing statement, statement of issues FERC moves for a 60-day interval between Exelon's Opening Brief and FERC's Answering Brief
39	ISO-NE Implementation of Order 1000 Exemptions for Immediate Need Reliability Projects (20-1422)	Jan 26	Court issues an amended briefing schedule to apply in this case
40	Mystic 8/9 Cost of Service Agreement (20-1343; 20-1361, 20-1362; 20-1365, 20-1368) (consolidated)	Jan 19 Jan 22	MA AG intervenes Court directs parties to file motions to govern future proceedings by Feb 26, 2021
40	CASPR (20-1333, 20-1331) (consolidated)	Jan 12 Jan 25, 26 Jan 27	Court dismisses as moot the FERC's Oct 19 motion to hold this proceeding in abeyance and ordered that the motion to dismiss be referred to the merits panel (Judges Pillard, Katsas and Walker) and addressed by the parties in their briefs CT Parties and MMWEC and NHEC file statements of issues and notices that they intend to participate in support of Petitioners Court orders parties to submit proposed formats for the briefing of these cases by Feb 26, 2021
41	<i>Opinion 531-A</i> Compliance Filing Undo (20-1329)	Jan 25	FERC requests abeyance be continued for an additional three months, with parties to file motions to govern future proceedings at the end of that period. Petitioners consented to the requested abeyance.

- | | | | |
|----|---|--------|--|
| 41 | 2013/14 Winter Reliability Program
Order on Compliance and Remand
(20-1289, 20-1366) (consol.) | Jan 11 | TransCanada (Petitioner) submits initial brief |
| 43 | Opinion 569/569-A: FERC's Base ROE
Methodology (16-1325) (consol.) | Feb 2 | Court issues a revised briefing format and schedule to apply in these consolidated cases |

M E M O R A N D U M

TO: NEPOOL Participants Committee Members and Alternates

FROM: Patrick M. Gerity, NEPOOL Counsel

DATE: February 3, 2021

RE: Status Report on Current Regional Wholesale Power and Transmission Arrangements Pending Before the Regulators, Legislatures and Courts

We have summarized below the status of key ongoing proceedings relating to NEPOOL matters before the Federal Energy Regulatory Commission ("FERC"),¹ state regulatory commissions, and the Federal Courts and legislatures through January 6, 2021. If you have questions, please contact us.

COVID-19

- **Jul 8-9 Tech Conf: Impacts of COVID-19 on the Energy Industry (AD20-17)**

On July 8-9, 2020, the FERC convened a Commissioner-led technical conference to explore the potential longer-term impacts of the emergency conditions caused by COVID-19 on FERC-jurisdictional entities "in order to ensure the continued efficient functioning of energy markets, transmission of electricity, transportation of natural gas and oil, and reliable operation of energy infrastructure today and in the future, while also protecting consumers". The conference included consideration of: (i) the energy industry's ongoing and potential future operational and planning challenges due to COVID-19 and as the situation evolves moving forward; (ii) the potential impacts of changes in electric demand on operations, planning, and infrastructure development; (iii) the potential impacts of changes in natural gas and oil demand on operations, planning, and infrastructure development; and (iv) issues related to access to capital, including credit, liquidity, and return on equity. Comments and speaker opening statements are posted in eLibrary.

Interested parties were invited to file, on or before August 31, 2020, post-technical conference comments on any or all of the topics discussed at the July 8-9 technical conference, as well as to respond to the questions outlined in the July 1, 2020 supplemental notice of technical conference. Comments were filed by AEP, APPA, America Forest & Paper, America's Power, EEI, IEEE Power & Energy Society, Clearview Energy Partners, TAPS, Assoc. of Oil Pipelines, Pilot Travel Centers, and Process Gas. This matter remains pending before the FERC.

- **Remote ALJ Hearings (AD20-12)**

All hearings before Administrative Law Judges ("ALJs") are being held remotely through video conference software (WebEx and SharePoint) until further notice.² The Presiding Judge in each remote hearing will ensure that the participants have access to an "IT Day" prior to the hearing to allow all participants, witnesses, and the public who will attend the hearing to learn more about the remote hearing software and to get their technical questions answered by the appropriate FERC staff. Uniform Hearing Rules for all Office of the ALJ hearings were adopted effective September 15, 2020.³ The "Remote Hearing Guidance

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

² Chief Administrative Law Judge's Notices to the Public, Docket No. AD20-12 (June 17, 2020).

³ Chief Administrative Law Judge's Notices to the Public, Docket No. AD20-12 (Sep. 1, 2020).

for Participants” was revised on September 23, 2020 to make three changes.⁴ The [Uniform Hearing Rules](#) and [Remote Hearing Guidance for Participants](#) are publicly available in this proceeding in eLibrary and on the [FERC’s Administrative Litigation webpage](#).

- **Extension of Filing Deadlines (AD20-11)**

On January 25, 2021, the waiver of FERC regulations that require that filings with the FERC be notarized or supported by sworn declarations was further ***extended through July 30, 2021***.⁵ The January 25 notice extended the waiver first noticed in May⁶ and extended on August 20, 2020.⁷ As previously reported, Entities may also seek waiver of FERC orders, regulations, tariffs and rate schedules, including motions for waiver of regulations that govern the form of filings, as appropriate, to address needs resulting from steps they have taken in response to the coronavirus.⁸

- **Blanket Waiver of ISO/RTO Tariff In-Person Meeting and Notarization Requirements (EL20-37)**

Also on January 25, 2021, the extension of the blanket waivers of ISO/RTO Tariff *in-person*⁹ meeting and notarization requirements was further ***extended through July 30, 2021***.¹⁰ The January 25 order extended the blanket waivers first granted in the FERC’s April 2, 2020 order and extended in an August 20, 2020 order.¹¹

I. Complaints/Section 206 Proceedings

- **NEPGA Net CONE Complaint (EL21-26)**

On December 11, 2020, NEPGA filed a complaint against ISO-NE alleging that ISO-NE violated its Tariff and the filed-rate doctrine by recalculating and reviewing with NEPOOL a Net CONE value methodology demonstrably inconsistent with the Tariff and prior practice. NEPGA seeks an order directing ISO-NE to recalculate, review with NEPOOL stakeholders, and file with the FERC a Net CONE value consistent with the existing Tariff definition. Should its requested relief be granted, NEPGA asked the FERC to find unjust and unreasonable the Net CONE value for FCAs 16-18 (filed on December 31, see ER21-787 in Section III below) and, should there not be sufficient time to allow for completion of stakeholder review before the beginning of the FCA16 calendar (March 2021), NEPGA asked that ISO-NE be directed to apply the Tariff-defined annual adjustment factors to the FCA15 Net CONE value to be used for the FCA16 Net CONE value.

ISO-NE’s answer, comments and interventions with respect to the Net CONE Complaint were due December 31, 2020. In its answer, [ISO-NE](#) explained why it acted legally and consistent with its Tariff, and requested a FERC order summarily dismissing or denying NEPGA’s Complaint. [NEPOOL](#) filed comments explaining why the Complaint was premature and should be rejected so that NEPGA’s arguments could be properly

⁴ *Chief Administrative Law Judge’s Notices to the Public*, Docket No. AD20-12 (Sep. 23, 2020) (removing law clerk requirement to share screen when moving exhibits, revising procedures for requesting Live Litigation, and revising witness communication guidance to require that “[c]ommunications with a witness through concealed channels of communications are prohibited while the witness is providing testimony on the witness stand. Communications with a witness are allowed during breaks and when they are not on the witness stand.”)

⁵ See *Extension of Non-Statutory Deadlines*, Docket No. AD20-11-000 (Jan. 25, 2021).

⁶ *Extension of Non-Statutory Deadlines*, Docket No. AD20-11-000 (May 8, 2020).

⁷ See *Extension of Non-Statutory Deadlines*, Docket No. AD20-11-000 (Aug. 20, 2020).

⁸ *Extension of Non-Statutory Deadlines*, Docket No. AD20-11-000 (Apr. 2, 2020).

⁹ The waiver only applies to a specific requirement that meetings be held *in person*. Other than the in-person requirement, such meetings must still be held consistent with the tariff, but should be conducted by other means (e.g. telephonically).

¹⁰ *Temporary Action to Facilitate Social Distancing*, 174 FERC ¶ 61,047 (Jan. 25, 2021).

¹¹ *Temporary Action to Facilitate Social Distancing*, 171 FERC ¶ 61,004 (Apr. 2, 2020) (waiving notarization requirements through Sep. 1, 2020, contained in any tariff, rate schedule, service agreement, or contract subject to the FERC’s jurisdiction under the Federal Power Act (“FPA”), the Natural Gas Act (“NGA”), or the Interstate Commerce Act); *Temporary Action to Facilitate Social Distancing*, 172 FERC ¶ 61,151 (Aug. 20, 2020) (extending the waivers through Jan. 29, 2021).

addressed in response to ISO-NE's filing of its proposed updates to CONE, Net CONE and the PPR values. NEPOOL's comments, alternatively, suggested that the Complaint proceeding be held in abeyance pending the outcome of ISO-NE's December 31 Updated CONE, Net CONE and PPR Values filing. Protests were also filed by [NESCOE](#), [NECOS/ENE](#)¹² and [CT State Agencies](#).¹³ [EPSA](#) filed comments supporting NEPGA's Complaint. Doc-less interventions only were filed by Avangrid, Calpine, Dominion, Eversource, FirstLight, LS Power, MA AG, MMWEC, National Grid, NHEC, NRG, MA DPU, RI PUC, and Public Citizen. On January 8, 2021, NEPGA answered ISO-NE's Answer and the comments and protests filed in response to its Complaint. ISO-NE answered NEPGA's answer on January 25, 2021. This matter is pending before the FERC. If you have any questions concerning this proceeding, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **NECEC/Avangrid Complaint Against NextEra/Seabrook (EL21-6)**

On October 13, 2020, NECEC Transmission LLC ("NECEC") and Avangrid Inc. (together, "Avangrid") filed a complaint against NextEra¹⁴ requesting FERC action "to stop NextEra from unlawfully interfering with the interconnection of the New England Clean Energy Connect transmission project ("NECEC Project")." The Complaint seeks, among other things, an initial, expedited order that grants certain relief¹⁵ and directs NextEra to immediately commence engineering, design, planning and procurement activities that are necessary for NextEra to construct the generator owned transmission upgrades during Seabrook Station's Planned 2021 Outage.

Comments on the Complaint were due on or before November 2, 2020. On November 2, NextEra submitted an answer to the Complaint (requesting the FERC dismiss or deny the Complaint) and National Grid filed comments. Doc-less interventions were filed by Dominion, Eversource, Calpine, Exelon, HQ US, MA AG, MMWEC National Grid, NESCOE, NRG, Public Citizen. On November 17, Avangrid submitted an answer to NextEra's November 2 Answer. On November 30, NextEra answered Avangrid's November 17 answer ("supplemental answer"), repeating its request that the FERC dismiss or deny the Complaint. Avangrid answered the November 30 supplemental answer on December 7, 2020. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **NextEra Energy Seabrook Declaratory Order Petition re: NECEC Elective Upgrade Costs Dispute (EL21-3)**

In a related matter initiated a week earlier, NextEra Energy Seabrook, LLC ("Seabrook") filed a Petition for a Declaratory Order ("Petition") "by which it seeks to understand the scope of its FERC-jurisdictional regulatory obligations with respect to the project ("NECEC Elective Upgrade"), and to resolve its dispute with NECEC". Specifically, Seabrook asked the FERC to declare that: (1) Seabrook is not required to incur a financial loss to upgrade, for NECEC's sole benefit, a 24.5 kV generator circuit breaker and ancillary equipment ("Generation Breaker") at Seabrook Station; (2) "Good Utility Practice" for replacement of the nuclear plant Generation Breaker is defined in terms of the practices of the nuclear power industry, such that Seabrook's proposed definition of that

¹² "NECOS/ENE" are: Belmont Municipal Light Department, Block Island Utility District, Braintree Electric Light Department, Georgetown Municipal Light Department, Groveland Electric Light Department, Hingham Municipal Lighting Plant, Littleton Electric Light Department, Merrimac Municipal Light Department, Middleborough Gas & Electric Department, Middleton Electric Light Department, North Attleborough Electric Department, Norwood Light & Broadband Department, Reading Municipal Light Department, Rowley Municipal Lighting Plant, Stowe Electric Department, Taunton Municipal Lighting Plant, and Wallingford Department of Public Utilities Electric Division (collectively, "NECOS"); and Energy New England, LLC ("ENE").

¹³ "CT Agencies" are: the Connecticut Department of Energy and Environmental Protection ("CT DEEP"), William Tong, Attorney General for the State of Connecticut ("CT AG"), the Connecticut Public Utilities Regulatory Authority ("CT PURA") and the Connecticut Office of Consumer Counsel ("CT OCC")

¹⁴ For purposes of this Complaint proceeding, "NextEra" is short for NextEra Energy Resources, LLC ("NextEra Energy Resources"), NextEra Energy Seabrook, LLC ("NextEra Seabrook"), FPL Energy Wyman LLC ("Wyman"), and FPL Energy Wyman IV LLC ("Wyman IV").

¹⁵ Directing NextEra to comply with the ISO-NE OATT, to comply with open access requirements, and to cease and desist unlawful interference with the NECEC Project; and to have the FERC temporarily revoke NextEra's blanket waiver under Part 358 of the FERC's regulations and to initiate an investigation and require NextEra to preserve and provide documents related to the interconnection of the NECEC Project.

term is appropriate for use in a facilities agreement with NECEC; and (3) Seabrook will not be liable for consequential damages for the service it provides to NECEC under a facilities agreement (collectively, the “Requested Declarations”). Alternatively, Seabrook asked that the FERC declare that nothing in ISO-NE’s Tariff requires Seabrook to enter into an agreement to replace the Generation Breaker, and therefore, Seabrook and the Joint Owners are entitled to bargain for appropriate terms and conditions to recover their costs, to define Good Utility Practice, and to limit liability associated with providing the service (“Alternative Declaration”).

Comments on Seabrook’s Petition were due on or before November 4, 2020, and were filed by Eversource, MMWEC, and NEPGA. Avangrid and NECEC Transmission (“Avangrid”) protested the Declaratory Order. Doc-less interventions were filed by Avangrid, Dominion, Eversource, Calpine, Exelon, HQ US, National Grid, NESCOE, NRG, and Public Citizen. On November 19, NextEra answered Avangrid’s protest. On December 4, Avangrid answered NextEra’s November 19 answer. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **New England Generators’ Exelon Complaint (EL20-67)**

New England Generators¹⁶ August 25, 2020 complaint against Exelon¹⁷ remains pending. As previously reported, the Complaint requested that, if and to the extent the FERC does not grant all relief requested by the New England Generators in its August 27, 2020 request for clarification and/or rehearing of the *July 17 Orders* in the Mystic 8/9 Cost of Service Agreement (“COS Agreement”) proceeding (see ER18-1639 below), the FERC should find that the new information about Exelon’s two new queue positions and Exelon’s intention to continue to operate Everett beyond the term of the Mystic Agreement makes the existing rate in the Mystic Agreement unjust and unreasonable. New England Generators further requested that the FERC change the Mystic Agreement to: (i) apply the clawback mechanisms to Exelon’s two new interconnection queue positions (to prevent Exelon from using interconnection queue positions for “new” or “repowered” units to skirt restrictions imposed on Mystic’s recovery of costs pursuant to the COS Agreement); (ii) delete or give no meaning to the words “that were expensed” (in order to prevent Exelon from shielding costs paid for by captive ratepayers from the application of the COS Agreement’s clawback provision); and (iii) require that Mystic return any of the undepreciated Everett repair and capital expenditure costs in the event that Mystic 8 or 9 return to the market after the end of the COS Agreement.

Exelon’s answer and all interventions, or protests were due on or before September 14, 2020. In addition to Exelon’s answer, comments supporting the Complaint were filed by NESCOE, Public Systems¹⁸ and Connecticut Parties.¹⁹ On September 28, NEPGA answer Exelon’s answer. Interventions only were filed by Calpine, ENE, Eversource, Massachusetts Attorney General (“MA AG”) National Grid, and Public Citizen. The Complaint, as well as all of the pleadings in response, remain pending before the FERC. If you have any questions concerning this proceeding, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **RNS/LNS Rates and Rate Protocols Settlement Agreement II Compliance Filing (ER20-2054)**

On January 27, 2021, the TOs submitted a compliance filing to establish the following effective dates for the ISO-NE Tariff records that implement the Settlement approved by the FERC (“Settlement Agreement II”):²⁰

¹⁶ “New England Generators” are Vistra, Dynegy Marketing and Trade, NextEra Energy Resources, NRG Power Marketing, LS Power Associates, FirstLight Power, and Cogentrix Energy Power Management.

¹⁷ For purposes of this Complaint, “Exelon” is short for Constellation Mystic Power, LLC (“Mystic”), Exelon Generation Company, LLC (“Exelon Generation”) and Exelon Corporation (“Exelon Corp.”).

¹⁸ “Public Systems” are Mass. Municipal Wholesale Elec. Co. (“MMWEC”) and New Hampshire Elec. Coop., Inc. (“NHEC”).

¹⁹ “Connecticut Parties” are CT PURA, CT DEEP, and the CT OCC.

²⁰ *ISO New England Inc., et al.*, 173 FERC ¶ 61,270 (Dec. 28, 2020).

- ♦ **Jun 15, 2021** Interim Formula Rate Protocols (Appendix C to Attachment F)
- ♦ **Jan 1, 2022** Attachment F (other than Appendix C); Section II.25, Schedule 8, Schedule 9 and each of the OATT Schedule 21s
- ♦ **Jun 15, 2023** Final Formula Rate Protocols (Appendix C to Attachment F)

Comments, if any, on the compliance filing are due on or before February 17, 2021. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Base ROE Complaints I-IV: (EL11-66, EL13-33; EL14-86; EL16-64)**

There are four proceedings pending before the FERC in which consumer representatives seek to reduce the TOs' return on equity ("Base ROE") for regional transmission service.

- **Base ROE Complaint I (EL11-66).** In the first Base ROE Complaint proceeding, the FERC concluded that the TOs' ROE had become unjust and unreasonable,²¹ set the TOs' Base ROE at 10.57% (reduced from 11.14%), capped the TOs' total ROE (Base ROE plus transmission incentive adders) at 11.74%, and required implementation effective as of October 16, 2014 (the date of *Opinion 531-A*).²² However, the FERC's orders were challenged, and in *Emera Maine*,²³ the DC Circuit vacated the FERC's prior orders, and remanded the case for further proceedings consistent with its order. The FERC's determinations in *Opinion 531* are thus no longer precedential, though the FERC remains free to re-adopt those determinations on remand as long as it provides a reasoned basis for doing so.
- **Base ROE Complaints II & III (EL13-33 and EL14-86) (consolidated).** The second (EL13-33)²⁴ and third (EL14-86)²⁵ ROE complaint proceedings were consolidated for purposes of hearing and decision, though the parties were permitted to litigate a separate ROE for each refund period. After hearings were completed, ALJ Sterner issued a 939-paragraph, 371-page *Initial Decision*, which lowered the base ROEs for the EL13-33 and EL14-86 refund periods from 11.14% to 9.59% and 10.90%, respectively.²⁶ The *Initial Decision* also lowered the ROE ceilings. Parties to these

²¹ The TOs' 11.14% pre-existing Base ROE was established in *Opinion 489*. *Bangor Hydro-Elec. Co.*, Opinion No. 489, 117 FERC ¶ 61,129 (2006), *order on reh'g*, 122 FERC ¶ 61,265 (2008), *order granting clarif.*, 124 FERC ¶ 61,136 (2008), *aff'd sub nom.*, Conn. Dep't of Pub. Util. Control v. FERC, 593 F.3d 30 (D.C. Cir. 2010) ("*Opinion 489*").

²² *Coakley Mass. Att'y Gen. v. Bangor Hydro-Elec. Co.*, 147 FERC ¶ 61,234 (2014) ("*Opinion 531*"), *order on paper hearing*, 149 FERC ¶ 61,032 (2014) ("*Opinion 531-A*"), *order on reh'g*, 150 FERC ¶ 61,165 (2015) ("*Opinion 531-B*").

²³ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) ("*Emera Maine*"). *Emera Maine* vacated the FERC's prior orders in the Base ROE Complaint I proceeding, and remanded the case for further proceedings consistent with its order. The Court agreed with both the TOs (that the FERC did not meet the Section 206 obligation to first find the existing rate unlawful before setting the new rate) and "Customers" (that the 10.57% ROE was not based on reasoned decision-making, and was a departure from past precedent of setting the ROE at the midpoint of the zone of reasonableness).

²⁴ The 2012 Base ROE Complaint, filed by Environment Northeast (now known as Acadia Center), Greater Boston Real Estate Board, National Consumer Law Center, and the NEPOOL Industrial Customer Coalition ("NICC", and together, the "2012 Complainants"), challenged the TOs' 11.14% ROE, and seeks a reduction of the Base ROE to 8.7%.

²⁵ The 2014 Base ROE Complaint, filed July 31, 2014 by the Massachusetts Attorney General, together with a group of State Advocates, Publicly Owned Entities, End Users, and End User Organizations (together, the "2014 ROE Complainants"), seeks to reduce the current 11.14% Base ROE to 8.84% (but in any case no more than 9.44%) and to cap the Combined ROE for all rate base components at 12.54%. 2014 ROE Complainants state that they submitted this Complaint seeking refund protection against payments based on a pre-incentives Base ROE of 11.14%, and a reduction in the Combined ROE, relief as yet not afforded through the prior ROE proceedings.

²⁶ *Environment Northeast v. Bangor Hydro-Elec. Co. and Mass. Att'y Gen. v. Bangor Hydro-Elec. Co.*, 154 FERC ¶ 63,024 (Mar. 22, 2016) ("*2012/14 ROE Initial Decision*").

proceedings filed briefs on exception to the FERC, which has not yet issued an opinion on the ALJ's *Initial Decision*.

- **Base ROE Complaint IV (EL16-64).** The fourth and final ROE proceeding²⁷ also went to hearing before an ALJ, Judge Glazer, who issued his initial decision on March 27, 2017.²⁸ The *Base ROE IV Initial Decision* concluded that the currently-filed base ROE of 10.57%, which may reach a maximum ROE of 11.74% with incentive adders, was **not** unjust and unreasonable for the Complaint IV period, and hence was not unlawful under section 206 of the FPA.²⁹ Parties in this proceeding filed briefs on exception to the FERC, which has not yet issued an opinion on the *Base ROE IV Initial Decision*.

October 16, 2018 Order Proposing Methodology for Addressing ROE Issues Remanded in Emera Maine and Directing Briefs. On October 16, 2018, the FERC, addressing the issues that were remanded in *Emera Maine*, proposed a new methodology for determining whether an existing ROE remains just and reasonable.³⁰ The FERC indicated its intention that the methodology be its policy going forward, including in the four currently pending New England proceedings (*see, however, Opinion 569-A*³¹ (EL14-12; EL15-45) in Section XI below). The FERC established a paper hearing on how its proposed methodology should apply to the four pending ROE proceedings.³²

At highest level, the new methodology will determine whether (1) an existing ROE is unjust and unreasonable under the first prong of FPA section 206 and (2) if so, what the replacement ROE should be under the second prong of FPA section 206. In determining whether an existing ROE is unjust and under the first prong of Section 206, the FERC stated that it will determine a “composite” zone of reasonableness based on the results of three models: the Discounted Cash Flow (“DCF”), Capital Asset Pricing Model (“CAPM”), and Expected Earnings models. Within that composite zone, a smaller, “presumptively reasonable” zone will be established. Absent additional evidence to the contrary, if the utility's existing ROE falls within the presumptively reasonable zone, it is not unjust and unreasonable. Changes in capital market conditions since the existing ROE was established may be considered in assessing whether the ROE is unjust and unreasonable.

²⁷ The 4th ROE Complaint asked the FERC to reduce the TOS' current 10.57% return on equity (“Base ROE”) to 8.93% and to determine that the upper end of the zone of reasonableness (which sets the incentives cap) is no higher than 11.24%. The FERC established hearing and settlement judge procedures (and set a refund effective date of April 29, 2016) for the 4th ROE Complaint on September 20, 2016. Settlement procedures did not lead to a settlement, were terminated, and hearings were held subsequently held December 11-15, 2017. The September 26, 2016 order was challenged on rehearing, but rehearing of that order was denied on January 16, 2018. *Belmont Mun. Light Dept. v. Central Me. Power Co.*, 156 FERC ¶ 61,198 (Sep. 20, 2016) (“*Base ROE Complaint IV Order*”), *reh'g denied*, 162 FERC ¶ 61,035 (Jan. 18, 2018) (together, the “*Base ROE Complaint IV Orders*”). The *Base ROE Complaint IV Orders*, as described in Section XV below, have been appealed to, and are pending before, the DC Circuit.

²⁸ *Belmont Mun. Light Dept. v. Central Me. Power Co.*, 162 FERC ¶ 63,026 (Mar. 27, 2018) (“*Base ROE Complaint IV Initial Decision*”).

²⁹ *Id.* at P 2.; Finding of Fact (B).

³⁰ *Coakley v. Bangor Hydro-Elec. Co.*, 165 FERC ¶ 61,030 (Oct. 18, 2018) (“*Order Directing Briefs*” or “*Coakley*”).

³¹ *Ass'n of Buss. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569-A, 171 FERC ¶ 61,154 (2020) (“*Opinion 569-A*”). The refinements to the FERC's ROE methodology included: (i) the use of the Risk Premium model instead of only relying on the DCF model and CAPM under both prongs of FPA Section 206; (ii) adjusting the relative weighting of long- and short-term growth rates, increasing the weight for the short-term growth rate to 80% and reducing to 20% the weight given to the long-term growth rate in the two-step DCF model; (iii) modifying the high-end outlier test to treat any proxy company as high-end outlier if its cost of equity estimated under the model in question is more than 200% of the median result of all the potential proxy group members in that model before any high- or low-end outlier test is applied, subject to a natural break analysis. This is a shift from the 150% threshold applied in *Opinion 569*; and (iv) calculating the zone of reasonableness in equal thirds, instead of using the quartile approach that was applied in *Opinion 569*.

³² *Id.* at P 19.

If the FERC finds an existing ROE unjust and unreasonable, it will then determine the new just and reasonable ROE using an averaging process. For a diverse group of average risk utilities, FERC will average four values: the midpoints of the DCF, CAPM and Expected Earnings models, and the results of the Risk Premium model. For a single utility of average risk, the FERC will average the medians rather than the midpoints. The FERC said that it would continue to use the same proxy group criteria it established in *Opinion 531* to run the ROE models, but it made a significant change to the manner in which it will apply the high-end outlier test.

The FERC provided preliminary analysis of how it would apply the proposed methodology in the Base ROE I Complaint, suggesting that it would affirm its holding that an 11.14% Base ROE is unjust and unreasonable. The FERC suggested that it would adopt a 10.41% Base ROE and cap any preexisting incentive-based total ROE at 13.08%.³³ The new ROE would be effective as of the date of *Opinion 531-A*, or October 16, 2014. Accordingly, the issue to be addressed in the Base ROE Complaint II proceeding is whether the ROE established on remand in the first complaint proceeding remained just and reasonable based on financial data for the six-month period September 2013 through February 2014 addressed by the evidence presented by the participants in the second proceeding. Similarly, briefing in the third and fourth complaints will have to address whether whatever ROE is in effect as a result of the immediately preceding complaint proceeding continues to be just and reasonable.

The FERC directed participants in the four proceedings to submit briefs regarding the proposed approaches to the FPA section 206 inquiry and how to apply them to the complaints (separate briefs for each proceeding). Additional financial data or evidence concerning economic conditions in any proceeding must relate to periods before the conclusion of the hearings in the relevant complaint proceeding. Following a FERC notice granting a request by the TOs and Customers³⁴ for an extension of time to submit briefs, the latest date for filing initial and reply briefs was extended to January 11 and March 8, 2019, respectively. On January 11, initial briefs were filed by EMCOS, Complainant-Aligned Parties, TOs, EEI, Louisiana PSC, Southern California Edison, and AEP. As part of their initial briefs, each of the Louisiana PSC, SEC and AEP also moved to intervene out-of-time. Those interventions were opposed by the TOs on January 24. The Louisiana PSC answered the TOs' January 24 motion on February 12. Reply briefs were due March 8, 2019 and were submitted by the TOs, Complainant-Aligned Parties, EMCOS, FERC Trial Staff.

TOs Request to Re-Open Record and file Supplemental Paper Hearing Brief. On December 26, 2019, the TOs filed a Supplemental Brief that addresses the consequences of the November 21 *MISO ROE Order*³⁵ and requested that the FERC re-open the record to permit that additional testimony on the impacts of the *MISO ROE Order's* changes. On January 21, 2020, EMCOS and CAPs opposed the TOs' request and brief.

These matters remain pending before the FERC. If you have any questions concerning these matters, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Joe Fagan (202-218-3901; jfagan@daypitney.com).

II. Rate, ICR, FCA, Cost Recovery Filings

- **Bucksport CIP IROL (Schedule 17) Cost Recovery Filing (ER21-957)**

On January 27, 2021, Bucksport Generation LLC ("Bucksport") requested FERC acceptance of a proposed rate schedule to allow Bucksport to begin the recovery period for certain Interconnection Reliability Operating Limits Critical Infrastructure Protection costs under Schedule 17 of the ISO-NE Tariff ("CIP-IROL

³³ *Id.* at P 59.

³⁴ For purposes of the motion seeking clarification, "Customers" are CT PURA, MA AG and EMCOS.

³⁵ *Ass'n of Buss. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569, 169 FERC ¶ 61,129 (2019) ("*MISO ROE Order*"), *order on reh'g*, Opinion No. 569-A, 171 FERC ¶ 61,154 (May 21, 2020).

Costs”). Bucksport stated that the rate schedule will provide interested parties notice of Bucksport’s intent to recover CIP-IROL Costs for each affiliated facility designated as an IROL-Critical Facility, and an order accepting the rate schedule will provide an effective date after which associated costs incurred can be recovered following completion of the process contemplated by Schedule 17 and a subsequent Section 205 filing identifying the specific costs to be recovered. A March 29, 2021 effective date was requested. Comments on this filing are due on or before February 17, 2021. Thus far, NESCOE has filed a doc-less intervention. If you have any questions concerning these matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Stonepeak Kestrel CIP IROL (Schedule 17) Cost Recovery Filing (ER21-956)**

On January 27, 2021, Stonepeak Kestrel Energy Marketing LLC (“Stonepeak Kestrel”) requested FERC acceptance of a proposed rate schedule to allow Stonepeak Kestrel to begin the recovery period for certain CIP-IROL Costs. Stonepeak Kestrel stated that the rate schedule will provide interested parties notice of Stonepeak Kestrel’s intent to recover CIP-IROL Costs for each affiliated facility designated as an IROL-Critical Facility, and an order accepting the rate schedule will provide an effective date after which associated costs incurred can be recovered following completion of the process contemplated by Schedule 17 and a subsequent Section 205 filing identifying the specific costs to be recovered. A March 29, 2021 effective date was requested. Comments on this filing are due on or before February 17, 2021. Thus far, NESCOE has filed a doc-less intervention. If you have any questions concerning these matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Dynegy CIP IROL (Schedule 17) Cost Recovery Filing (ER21-774)**

On December 30, 2020, Dynegy Marketing & Trade, LLC (“Dynegy”) requested FERC acceptance of a proposed rate schedule to allow Dynegy to begin the recovery period for certain CIP-IROL Costs. Dynegy stated that the rate schedule will provide interested parties notice of Dynegy’s intent to recover CIP-IROL Costs for each affiliated facility designated as an IROL-Critical Facility, and an order accepting the rate schedule will provide an effective date after which associated costs incurred can be recovered following completion of the process contemplated by Schedule 17 and a subsequent Section 205 filing identifying the specific costs to be recovered. A March 1, 2021 effective date was requested. Comments on this filing were due on or before January 21, 2021; none were filed. Doc-less interventions were filed by Calpine, NESCOE and NRG. This matter is now pending before the FERC. If you have any questions concerning these matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Amended and Restated IRH Support and Use Agreements (ER21-712)**

On December 18, 2020, New England Hydro-Transmission Electric Company, Inc.; New England Hydro-Transmission Corporation; New England Electric Transmission Corporation; and Vermont Electric Transmission Company (collectively the “Asset Owners”) and the IRH Management Committee (“IMC”) on behalf of the renewing Interconnection Rights Holders (“IRH”) submitted for approval an Offer of Settlement that amends and restates four Support Agreements and an Agreement with Respect to Use of Québec Interconnection (“Use Agreement”)³⁶ to provide for ongoing financial support of, and related rights and obligations with respect to, the United States portion of the 2,000 MW high-voltage, direct current (“HVDC”) transmission facilities interconnecting New England and Québec. The initial term of the existing Support Agreements was scheduled to end on October 31, 2020, and the Use Agreement by its own terms will remain in effect though the term of the last Support Agreement to expire. The filing extends the term of those Support Agreements (and thereby the Use Agreement) another 20 years, until October 31, 2040. A January 1, 2021 effective date

³⁶ The Support Agreements are separate contracts between the IRH and each of the Asset Owners under which the IRH agree to financially support the elements of the Phase I/II HVDC-TF owned by each Asset Owner in exchange for rights to use the transmission capacity of the Phase I/II HVDC-TF to transmit power to and from the HQ system (“Use Rights”). The Use Agreement is a contract among the IRH that provides the rules for the exercise of the Use Rights, for making the Use Rights available to others, and for the collective management of those individual contractual rights through the IRH Management Committee.

was requested. Comments on this filing were due on or before January 8, 2021; none were filed. Avangrid, ENE, NESCOE, and Eversource (out-of-time) filed doc-less interventions. This matter is pending before the FERC. If you have any questions concerning these matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **ICR-Related Values and HQICCs – Annual Reconfiguration Auctions (ER21-496)**

On January 21, 2021 the FERC accepted the materials that identify the Installed Capacity Requirement (“ICR”), Local Sourcing Requirements (“LSR”), Maximum Capacity Limits (“MCL”), Hydro Quebec Interconnection Capability Credits (“HQICCs”), and capacity requirement values for the System-Wide and Marginal Reliability Impact Capacity Demand Curves (collectively, the “ICR-Related Values”) for the third annual reconfiguration auction (“ARA”) for the 2021-22 Capability Year, the second ARA for the 2022-23 Capability Year, and the first ARA for the 2023-24 Capability Year.³⁷ The ICR-Related Values were accepted effective as of January 24, 2021, as requested. Unless the January 21 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **FCA15 Qualification Informational Filing (ER21-372)**

On January 22, 2021, the FERC accepted ISO-NE’s informational filing for qualification in FCA15 (the “FCA15 Informational Filing”).³⁸ As requested by ISO-NE,³⁹ the FERC directed ISO-NE to modify the FCA15 Qualified Capacity values for two New Generating Capacity Resources that ISO-NE identified it had incorrectly calculated during the qualification process.⁴⁰ The FERC rejected the protests by Andro Hydro, Mystic and NEPGA.⁴¹

As previously reported, the FCA15 Informational Filing contained ISO-NE’s determinations for FCA15.⁴² Limited protests were filed by Andro Hydro (protesting the basis for the IMM’s mitigation of its resources), Mystic (asserting that the FCA15 Informational Filing was based on a flawed transmission security analysis and the FERC should direct ISO-NE to re-run its transmission security analysis to reconsider its decision to assume completion of a now delayed and contentious NECEC transmission project when conducting that analysis) and NEPGA (focused on the qualification of the Killingly Energy Center, requesting that the FERC require ISO-NE to submit additional confidential information regarding that qualification (related to the project’s development progress) so that it can assess ISO-NE’s determinations). None of the protests persuaded the FERC. Unless the *FCA15 Info Filing Order* is challenged, with any challenges due on or before February 22, 2021, this proceeding will be concluded. If you have any questions concerning this matter, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

³⁷ *ISO New England Inc. and the New England Power Pool Participants Comm.*, Docket No. ER21-496 (Jan. 21, 2021) (unpublished letter order).

³⁸ *ISO New England Inc.*, 174 FERC ¶ 61,046 (Jan. 22, 2021) (“*FCA15 Info Filing Order*”).

³⁹ ISO-NE requested that the FERC direct it to modify incorrect values for two New Generating Capacity Resources that ISO-NE had incorrectly calculated (differences which ISO-NE stated were *de minimus* in both cases) but could not correct absent a FERC order.

⁴⁰ *Id.* at P 9.

⁴¹ *Id.* at PP 29-31 (Andro Hydro); P 43 (Mystic); and PP 39-40 (NEPGA).

⁴² Determinations that (i) four Capacity Zones will be modelled for FCA15 -- Southeastern New England (“SENE”) (import-constrained), Northern New England (“NNE”) (export-constrained, with the Maine Load Zone modeled as a separate nested export-constrained Capacity Zone), the Maine Capacity Zone (“Maine”), and Rest of Pool; (ii) there will be 33,662 MW of existing capacity competing with 7,030 MW of new capacity under a Net ICR of 33,270 MW (ICR minus HQICCs); (iii) a total of 813 MW of Static De-List Bids; and (iv) 13 demand bids, totaling 196 MW, and 116 supply offers, totaling 463 MW, were qualified to participate in the substitution auction.

- **ICR-Related Values and HQICCs – FCA15 (2024-25) Capacity Commitment Period (ER21-371)**

On January 7, 2021, the FERC accepted the ICR, LSR for SENE, MCL for the Maine and NNE Capacity Zones, HQICCs, and Marginal Reliability Impact (“MRI”) Demand Curves (collectively, the “2024-25 ICR-Related Values”) for the 2024-25 Capacity Commitment Period (“CCP”).⁴³ As previously reported, the 2024-25 ICR is 34,153 MW (reflecting tie benefits of 1,735 MW) and HQICCs of 883 MW/mo., the net amount of capacity to be purchased in FCA15 to meet the ICR will be 33,270 MW. The LSR for the SENE Capacity Zone is 10,305 MW. The MCL for the Maine Capacity Zone is 4,145 MW. The MCL for the NNE Capacity Zone is 8,680 MW. Unless the January 7 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Sophia Browning (202-218-3904; sbrowning@daypitney.com).

- **Mystic 8/9 Cost of Service Agreement (ER18-1639)**

As previously reported, the FERC issued four orders in this proceeding in July 2020 (three on July 17 (together, the “*July 17 Orders*”); one on July 28, 2020). Each of the orders addressed in part or in whole the Cost-of-Service Agreement (“COS Agreement”)⁴⁴ among Constellation Mystic Power (“Mystic”), Exelon Generation Company (“ExGen”) and ISO-NE, which is to provide compensation for the continued operation of the Mystic 8 & 9 units from June 1, 2022 through May 31, 2024. As noted in Section XV below, each of the *July 17 Orders*⁴⁵ (and the earlier, underlying orders) have been appealed to the DC Circuit. Two aspects of this proceeding remain pending before the FERC:

ROE Paper Hearings (-000). The *Dec 2018 Order* established a paper hearing to determine the just and reasonable ROE to be used in setting charges under Mystic’s COS Agreement. On April 19, 2019, Mystic, Connecticut Parties, ENECOS, MA AG, and FERC Trial Staff filed initial briefs. On July 18, 2019, Constellation Mystic Power, CT Parties, ENECOS, MA AG, National Grid, FERC Trial Staff filed reply briefs. In a July 28, 2020 order,⁴⁶ the FERC reopened the record to allow parties an opportunity to present written evidence applying the FERC’s *Opinion 569-A* ROE methodology to the facts of this proceeding. CT Parties, EMCOS, MA AG, and FERC Trial Staff filed their initial “Opinion 569-A” briefs on September 28, 2020. Responses to those initial briefs were due October 28, 2020 and were filed by Mystic, CT Parties, ENECOS, and FERC Trial Staff. The ROE issue is now pending before the Commission.

Sep 2020 Compliance Filing (-007). On September 15, 2020, Mystic filed a revised COS Agreement in response to the requirements of the *July 17 Compliance Order*. Also included were typographical edits proposed by NESCOE in its protest of the First Compliance Filing. Mystic also filed revisions to the Fuel Security Agreement (“FSA”) for informational purposes because some of the compliance directives required changes to the FSA.

⁴³ *ISO New England Inc. and the New England Power Pool Participants Comm.*, Docket No. ER21-371 (Jan. 7, 2021) (unpublished letter order).

⁴⁴ The COS Agreement, submitted on May 16, 2018, is between Mystic, Exelon Generation Company, LLC (“ExGen”) and ISO-NE. The COS Agreement is to provide cost-of-service compensation to Mystic for continued operation of Mystic 8 & 9, which ISO-NE has requested be retained to ensure fuel security for the New England region, for the period of June 1, 2022 to May 31, 2024. The COS Agreement provides for recovery of Mystic’s fixed and variable costs of operating Mystic 8 & 9 over the 2-year term of the Agreement, which is based on the pro forma cost-of-service agreement contained in Appendix I to Market Rule 1, modified and updated to address Mystic’s unique circumstances, including the value placed on continued sourcing of fuel from the Distrigas liquefied natural gas (“LNG”) facility, and on the continued provision of surplus LNG from Distrigas to third parties.

⁴⁵ The “*July 17 Orders*” are the *July 2018 Rehearing Order*, *Dec 2018 Rehearing Order* and the *July 17 Compliance Order*. *Constellation Mystic Power, LLC*, 164 FERC ¶ 61,022 (July 13, 2018) (“*July 2018 Order*”), *clarif. granted in part and denied in part, reh’g denied*, 172 FERC ¶ 61,043 (July 17, 2020) (“*July 2018 Rehearing Order*”); *Constellation Mystic Power, LLC*, 165 FERC ¶ 61,267 (Dec. 20, 2018) (“*Dec 2018 Order*”), *set aside in part, clarification granted in part and clarification denied in part*, 172 FERC ¶ 61,044 (July 17, 2020) (“*Dec 2018 Rehearing Order*”); *Constellation Mystic Power, LLC*, 172 FERC ¶ 61,045 (July 17, 2020) (“*July 17 Compliance Order*”) (order on compliance and directing further compliance).

⁴⁶ *Constellation Mystic Power, LLC*, 172 FERC ¶ 61,093 (July 28, 2020), *order addressing arguments on reh’g*, 173 FERC ¶ 61,261 (Dec. 21, 2020).

Comments on the Sep 2020 Compliance Filing were due on or before October 6, 2020. CT Parties and ENECOS protested the compliance filing. On October 21, Mystic answered the CT Parties' and ENECOS' protests. The compliance filing is pending before the FERC.

If you have questions on any aspect of this proceeding, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com) or Sebastian Lombardi (860-275-0663; slombardi@daypitney.com).

- **MPD OATT 2019 Annual Informational Filing Settlement Agreement (ER15-1429-014)**

On December 28, 2020, Versant Power submitted an uncontested Joint Offer of Settlement between itself, MPUC, MOPA, and the MCG to resolve certain issues raised by the MPUC and the MCG with regards to Versant Power's annual charges update under the Open Access Transmission Tariff for Maine Public District ("MPD OATT"), as filed in Docket No. ER15-1429-000 on May 1, 2019, and revised on May 16, 2019 (together, the "2019 Annual Update").⁴⁷ Initial comments and reply comments were due January 18 and 27, 2021, respectively; none were filed. This matter is pending before the FERC. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

- **Elimination of Price Lock and Zero-Price Offer Rule for New Entrants Starting in FCA16 (ER21-1010)**

In response to the requirements of the *December 2 Order*,⁴⁸ ISO-NE submitted on February 1, 2021, Tariff revisions eliminating the price lock and associated zero-price offer rule for new entrants starting in FCA16. The ISO-NE's proposed compliance changes were reviewed and unanimously recommended for Participants Committee support by the Markets Committee in January. The changes are on the Participants Committee's February 4 Consent Agenda (Item No. 4). Comments on the ISO's filing are due on or before February 22, 2021.

As described in previous Reports, the FERC, in response to a February 2, 2018 remand by the United States Court of Appeals for the District of Columbia Circuit ("DC Circuit"),⁴⁹ found preliminarily that ISO-NE's new entrant rules may be unjust and unreasonable.⁵⁰ The FERC established paper hearing procedures, which included one round of briefs and reply briefs submitted in the late summer and early fall of 2020.⁵¹ The *December 2 Order* found the New Entrant Rules no longer just and reasonable and directed ISO-NE to remove them from the Tariff.⁵²

⁴⁷ As previously reported, MCG moved to strike the true-up to actuals portion of the 2019 Annual Update to the extent that the true-up proposed a change in the formula rate from a direct assignment of Maine Public District ("MPD") post-retirement benefits other than pensions ("PBOPs") to an allocation of company-wide PBOPs (which MCG argued would be a retroactive change to the formula rate, otherwise required to effect only prospectively).

⁴⁸ *ISO New England Inc.*, 173 FERC ¶ 61,198 (Dec. 2, 2020) ("*December 2 Order*") (finding the price-lock mechanism and zero-price offer rule ("New Entrant Rules") no longer just and reasonable and directing ISO-NE to remove the New Entrant Rules from the Tariff).

⁴⁹ *New England Power Generators Assoc. v FERC*, 881 F.3d 202 (DC Cir. 2018) (granting NEPGA's and Exelon's petitions for review of orders accepting the Forward Capacity Market's ("FCM") 7-year price lock-in (EL14-7) and capacity-carry-forward rules (EL15-23) after finding that the FERC did not adequately explain why it allowed ISO-NE to forego an offer floor for its seven-year price lock period despite previously rejecting PJM's request to remove the offer floor for its three-year price lock period).

⁵⁰ *ISO New England Inc.*, 172 FERC ¶ 61,005 (July 1, 2020) ("*FCM Pricing Rules Complaints Remand Order*").

⁵¹ Initial briefs, due Aug. 24, 2020, were filed by ISO-NE, ISO-NE External Market Monitor ("EMM"), MA AG, NEPGA, NRG, and RENEW Northeast. NEPOOL filed limited comments (urging the FERC, should it conclude that the Tariff is unjust and unreasonable and/or unduly discriminatory, to allow sufficient time and flexibility to permit meaningful opportunities for New England stakeholders to work with ISO-NE to develop any required market adjustments through the complete NEPOOL Participant Processes). Responses to the initial briefs were due Sept. 23, 2020 and were filed by Responses to the initial briefs were due September 23, 2020 and were filed by [ISO-NE](#), [BSW Project Co.](#), [MA AG](#), [NEPGA](#), [MA AG](#), [CT PURA](#), [PJM IMM](#), and [RENEW/ESA](#). No additional answers or briefs were permitted. No additional answers or briefs were permitted.

⁵² *December 2 Order* at PP 1, 77.

If you have any questions concerning this proceeding, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **EER Exemption from PFP Settlement (ER21-943)**

On January 26, 2021, ISO-NE filed revisions to the Tariff (including related revisions to the Financial Assurance Policy (“FAP”)) to exclude energy efficiency resources (“EERs”) from Pay-for-Performance (“PFP”) obligations and settlement in all hours. EER capacity base payments are unaffected. The EER Exemption was considered, but not supported, by the Participants Committee at its October 2, 2020 meeting. The related FAP revisions were considered but were supported by the Participants Committee at the same meeting. An April 1, 2021 effective date was requested.⁵³ Comments on this filing are due on or before February 16, 2021. Thus far, doc-less interventions have been filed by: NEPOOL; Dominion; LS Power Development, Helix Maine Wind Development, Ocean State Power, and Wallingford Energy (collectively, “LS Power”); and NESCOE. If you have any questions concerning this proceeding, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Updated CONE, Net Cone and PPR Values (eff. FCA16) (ER21-787)**

On December 31, 2020, ISO-NE filed changes to update the Cost of New Entry (“CONE”), Net CONE, and Payment Performance Rate (“PPR”) values beginning with FCA16. The values in this filing are the same CONE, Net CONE and PPR values that the NPC approved at its December 5 meeting as part of a broader FCM updates package; however, this filing did not include the updated Offer Review Trigger Prices (“ORTPs”), which were part of the broader package, and on which NEPOOL and ISO-NE will propose alternative values in a jump ball filing to be submitted later this month. ISO-NE explained in its filing that, if the schedule for FCA16 is to be maintained, the updated CONE, Net CONE and PPR values need to be acted on by the FERC and become effective by early March, 2021 (a March 2, 2021 effective date was requested). ISO-NE stated that the revised ORTPs and related Tariff changes, however, do not need to be effective until slightly later in the FCA16 qualification process (thereby permitting a slightly later submission of, and FERC action on, the various ORTPs and related Tariff changes). Because NEPOOL did not vote on the CONE, Net CONE and PPR values separately, but rather as part of a broader package with the alternative ORTP provisions, NEPOOL did not join this ISO-NE filing but will provide comments in response to the filing explaining the December 5 NEPOOL vote on the package of proposed FCM parameters. Comments on this ISO-NE filing were due on or before January 21, 2021. Comments were filed by [NEPOOL](#), [MMWEC](#), [NESCOE](#), and [CT Agencies](#). Protests were filed by [CPV Towantic](#), [Dominion](#), [FirstLight](#), [NEPGA](#), and [NEI](#). Doc-less interventions were filed by Avangrid, Brookfield, BSW Project Co, Calpine, Cogentrix, Dominion, Eversource, CT AG, CT OCC, CT DEEP, CT PURA, LS Power, MA AG, National Grid (out-of-time), NESCOE, NHEC, NRG, Vistra, EPSA, and MA DPU (out-of-time). This matter is pending before the FERC. If you have any questions concerning this proceeding, please contact Dave Doot (dtdoot@daypitney.com; 860-275-0102), Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **New DDBT Methodology (ER21-782)**

On December 31, 2020, ISO-NE and NEPOOL jointly filed proposed Tariff revisions to implement a new methodology for calculating the FCM Dynamic De-List Bid Threshold (“DDBT”). Specifically, the new DDBT Methodology would replace the current triennial update methodology with an annual one, with the DDBT to be calculated annually for each FCA, using a new Tariff-based DDBT calculation methodology. That methodology, referred to as the “recalibration method,” updates the DDBT value for each auction based on the most recently available supply conditions, as evidenced in the last FCA, and the most up-to-date projected demand conditions, using the estimated system-wide demand curve for the next FCA. The new DDBT methodology filed was the compromise DDBT proposal overwhelmingly approved by the Participants Committee in November, rather than the one that had been offered by ISO-NE. A March 2, 2021 effective date was requested. Comments on this filing were due on or before January 21, 2021 and were filed by [ISO-NE IMM](#), [Calpine/Vistra](#), and [NEPGA](#). Doc-less

⁵³ ISO-NE requested in the alternative, that the revisions be accepted effective with FCA16 (June 1, 2025) should the FERC not grant an April 1, 2021 effective date.

interventions were filed by BSW Project Co, Brookfield, CPV Towantic, Dominion, Eversource, LS Power, MA AG, NRG, NESCOE and EPSA. This matter is pending before the FERC. If you have any questions concerning this proceeding, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **EER FCM Qualification Modifications (ER21-640)**

On December 14, 2020, ISO-NE and NEPOOL jointly filed changes to the Market Rules to (i) produce Qualified Capacity values that better reflect performance capabilities of EERs; (ii) modify the rules that determine the quantity of Capacity Supply Obligation (“CSO”) that a resource of any type may acquire in monthly reconfiguration auctions or CSO Bilateral transactions to increase trading opportunities; and (iii) reflect a number of conforming and clean-up changes (“EER FCM Qual. Modifications”). The EER FCM Qual. Modifications were approved by the Participants Committee at the December Annual meeting (Consent Agenda Item No. 1). A February 12, 2021 effective date was requested. Comments on this filing were due on or before January 4, 2021; none were filed. Calpine, Eversource, National Grid, NESCOE, and the MA DPU filed doc-less interventions. This matter remains pending before the FERC. If you have any questions concerning this proceeding, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Order 841 Compliance Filings (Electric Storage in RTO/ISO Markets) (ER19-470)**

As previously reported, the FERC conditionally accepted both the November 22, 2019⁵⁴ and February 10, 2020⁵⁵ *Order 841*⁵⁶ compliance filings, each subject to additional compliance filing(s). On December 7, 2020, ISO-NE and NEPOOL filed, in one comprehensive filing, revisions to Market Rule 1 in response to the requirements of the *Order 841 Compliance Filing II Order*.⁵⁷ The revisions were supported by the Participants Committee at the December Annual Meeting (Consent Agenda Items 2 and 3). A March 1, 2021 effective date was requested for the majority of the revisions; a January 1, 2026 effective date was requested for the revisions specific to the Day-Ahead Energy Market. Comments on the December 7 filing were due on or before December 28, 2020; none were filed. No additional parties intervened in the proceeding. This matter is pending before the FERC. If you have any questions concerning this proceeding, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com).

- **CASPR (ER18-619)**

On January 21, 2021, the FERC issued a notice⁵⁸ that the request for rehearing of its November 19 *CASPR Allegheny Order*,⁵⁹ filed by the Sierra Club, NRDC and CLF, was denied by operation of law and will be addressed in a future order to be issued prior to the submission of the certified index to the record in the pending appeal before the DC Circuit (see Section XV below, Case No. 20-1333). If you have any questions concerning this proceeding, please contact Dave Doot (860-275-0102; dtroot@daypitney.com) or Sebastian Lombardi (860-275-0663; slombardi@daypitney.com).

⁵⁴ *ISO New England Inc.*, 169 FERC ¶ 61,140 (Nov. 22, 2019) (“*Order 841 Initial Compliance Filing Order*”).

⁵⁵ *ISO New England Inc.*, 172 FERC ¶ 61,125 (Aug. 4, 2020) (“*Order 841 Compliance Filing II Order*”).

⁵⁶ See *Elec. Storage Participation in Mkts. Operated by Regional Transmission Orgs. and Indep. Sys. Operators*, Order No. 841, 162 FERC ¶ 61,127 (Feb. 15, 2018) (“*Order 841*”).

⁵⁷ The compliance filing included revisions addressing (i) the application of transmission charges; (ii) ISO-NE Market participation (ensuring the Tariff cannot be read to create a barrier to entry); and (iii) how state of charge and duration characteristics will be accounted for in the Day-Ahead Energy Market.

⁵⁸ *ISO New England Inc.*, 174 FERC ¶ 62,041 (Jan. 21, 2021).

⁵⁹ *ISO New England Inc.*, 173 FERC ¶ 61,161 (Nov. 19, 2020) (“*CASPR Allegheny Order*”).

IV. OATT Amendments / TOAs / Coordination Agreements

- **Order 676-I Compliance Filing (ER21-946)**

On January 26, 2021, ISO-NE and NEPOOL, in response to *Order 676-I*, jointly filed changes to incorporate by reference in Schedule 24 of the OATT the latest version (Version 003.2) of certain Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant ("WEQ") of the North American Energy Standards Board ("NAESB"). The Participants Committee unanimously supported the *Order 676-I* revisions at its May 7, 2020 meeting. Comments on this filing are due on or before February 16, 2020. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

V. Financial Assurance/Billing Policy Amendments

- **FAP Info Disclosure/KYC Requirements (ER21-816)**

On January 6, 2021, ISO-NE and NEPOOL jointly filed revisions to the Financial Assurance Policy ("FAP") that (i) update FAP information disclosure requirements; (ii) update risk management disclosure requirements; and (iii) add a provision regarding prior uncured payment defaults and entry into the New England Markets (collectively, the "FAP Info Disclosure/KYC Requirements"). A March 9, 2021 effective date was requested. The changes were unanimously supported by the Participants Committee at its November 5 meeting (Agenda Item #5). Comments on this filing were due on or before January 27, 2021; none were filed. Boston Energy Trading and Marketing, Brookfield, Calpine, DC Energy, Eversource, National Grid, and NRG submitted doc-less interventions. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Paul Belval (pnbelval@daypitney.com; 860-275-0381).

VI. Schedule 20/21/22/23 Changes

- **Schedule 20A-VP: Versant Power-Vitol Phase I/II HVDC-TF Service Agreement (ER21-827)**

On January 7, 2021, Versant Power submitted a non-conforming Phase I/II HVDC-TF Service Agreement between itself and Vitol Inc. ("Vitol") for firm service under Schedule 20A-VP. Versant Power requested a November 1, 2020 effective date for the Agreement. Comments on this filing were due on or before January 28, 2021; none were filed. Vitol filed a doc-less intervention. This matter is pending before the FERC. If there are questions on this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Schedule 21-VP: 2019 Annual Update Settlement Agreement (ER15-1434-004)**

Emera Maine's (now Versant Power) joint offer of settlement, filed March 19, 2020, between itself and the MPUC to resolve all issues raised by the MPUC in response to Emera Maine's 2019 annual charges update filed, as previously reported, on June 10, 2019 (the "Emera 2019 Annual Update Settlement Agreement"). Under Part V of Attachment P, "Interested Parties shall have the opportunity to conduct discovery seeking any information relevant to implementation of the [Attachment P] Rate Formula. . . ." and follow a dispute resolution procedure set forth there. In accordance with those provisions, the MPUC identified certain disputes with the 2019 Annual Update, all of which are resolved by the Emera 2019 Annual Update Settlement Agreement. Comments on the Emera 2019 Annual Update Settlement Agreement were due on or before April 9, 2020; none were filed. This matter continues to be pending before the FERC. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Schedule 21-VP: Recovery of Bangor Hydro/Maine Public Service Merger-Related Costs (ER15-1434-001 et al.)**

The MPS Merger Cost Recovery Settlement, filed by Emera Maine on May 8, 2018 to resolve all issues pending before the FERC in the consolidated proceedings set for hearing in the *MPS Merger-Related Costs Order*,⁶⁰ and certified by Settlement Judge Dring⁶¹ to the Commission,⁶² remains pending before the FERC. As previously reported, under the Settlement, permitted cost recovery over a period from June 1, 2018 to May 31, 2021 will be \$390,000 under Attachment P of the BHD OATT and \$260,000 under the MPD OATT. If you have any questions concerning these matters, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Schedule 21-GMP Annual True Up Calculation Forecast Info Report (ER12-2304)**

On January 15, 2021, pursuant to Section 4 of Schedule 21-GMP, Green Mountain Power (“GMP”) supplemented its annual informational filing containing the forecast of its costs for the January 1, 2021 through December 31, 2021 time period. The supplement does not change the 2021 forecasted rates previously filed, but does contain a material accounting change to adjust the 2021 charges billed under the Formula Rate in connection with the sale of its share of the Highgate facility. GMP also disclosed that it is not using historical ADIT for this forecast. The FERC will not notice this filing for public comment, and absent further activity, no further FERC action is expected. If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activity to Report

VIII. Regional Reports

- **Opinion 531-A Local Refund Report: FG&E (EL11-66)**

FG&E’s June 29, 2015 refund report for its customers taking local service during *Opinion 531-A*’s refund period remains pending. If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

⁶⁰ *Emera Maine and BHE Holdings*, 155 FERC ¶ 61,230 (June 2, 2016) (“*MPS Merger-Related Costs Order*”). In the *MPS Merger-Related Costs Order*, the FERC accepted, but established hearing and settlement judge procedures for, filings by Emera Maine seeking authorization to recover certain merger-related costs viewed by the FERC’s Office of Enforcement’s Division of Audits and Accounting (“DAA”) to be subject to the conditions of the orders authorizing Emera Maine’s acquisition of, and ultimate merger with, Maine Public Service (“Merger Conditions”). The Merger Conditions imposed a hold harmless requirement, and required a compliance filing demonstrating fulfillment of that requirement, should Emera Maine seek to recover transaction-related costs through any transmission rate. Following an audit of Emera Maine, DAA found that Emera Maine “inappropriately included the costs of four merger-related capital initiatives in its formula rate recovery mechanisms” and “did not properly record certain merger-related expenses incurred to consummate the merger transaction to appropriate non-operating expense accounts as required by [FERC] regulations [and] inappropriately included costs of merger-related activities through its formula rate recovery mechanisms” without first making a compliance filing as required by the merger orders. The *MPS Merger-Related Costs Order* set resolution of the issues of material fact for hearing and settlement judge procedures, consolidating the separate compliance filing dockets.

⁶¹ ALJ John Dring was the settlement judge for these proceedings. There were five settlement conferences -- three in 2016 and two in 2017. With the Settlement pending before the FERC, settlement judge procedures, for now, have not been terminated.

⁶² *Emera Maine and BHE Holdings*, 163 FERC ¶ 63,018 (June 11, 2018).

- **Opinions 531-A/531-B Regional Refund Reports (EL11-66)**

The TOs' November 2, 2015 refund report documenting resettlements of regional transmission charges by ISO-NE in compliance with *Opinions No. 531-A*⁶³ and *531-B*⁶⁴ also remains pending. If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Opinions 531-A/531-B Local Refund Reports (EL11-66)**

The *Opinions 531-A and 531-B* refund reports filed by the following TOs for their customers taking local service during the refund period also remain pending before the FERC:

- | | | |
|-----------------------|-----------------|-----------------------|
| ◆ Central Maine Power | ◆ National Grid | ◆ United Illuminating |
| ◆ Emera Maine | ◆ NHT | ◆ VTransco |
| ◆ Eversource | ◆ NSTAR | |

If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Transmission Projects Annual Informational Filing (ER13-193)**

On January 29, 2021, ISO-NE filed, as required under Section 4.1(j)(iii) of the OATT, its annual informational filing of projects on the Regional System Plan ("RSP") project list that had a year of need three years or less from the completion of the Needs Assessment. The list of prior year designations is maintained on the ISO-NE website at <https://www.iso-ne.com/static-assets/documents/2021/01/2020-prior-year-projects-section-4-j-iii-final.pdf>. This filing will not be noticed for public comment by the FERC.

- **LFTR Implementation: 49th Quarterly Status Report (ER07-476; RM06-08)**

ISO-NE filed the 49th of its quarterly status reports regarding LFTR implementation on January 15, 2021. ISO-NE reported that it implemented monthly reconfiguration auctions (accepted in ER12-2122) beginning with the month of October 2019. ISO-NE further reported that, while it will continue to evaluate its as-filed LFTR design and financial assurance issues, including an ongoing evaluation of the FTR market and risk associated with FTRs and LFTRs, it is currently focused on higher priority market-design initiatives. These status reports are not noticed for public comment.

IX. Membership Filings

- **February 2021 Membership Filing (ER21-1008)**

On January 29, 2021, NEPOOL requested that the FERC accept: (i) the memberships of the following: Axpo U.S. LLC (Supplier Sector); Catalyst Power & Gas, LLC (Supplier Sector); Palm Energy LLC (Provisional Member); Madison ESS, LLC [Related Person to Madison BTM and New England Battery Storage (Generation Group Seat)]; Rumford ESS, LLC [Related Person to Madison BTM and New England Battery Storage (Generation Group Seat)]; Vineyard Reliability LLC (Generation Group Seat); West Medway II, LLC [Related Person to Exelon Generation Company and Constellation NewEnergy, Inc. (Supplier Sector)]; and Dick Brooks (End User Sector, Governance Only Member); (ii) the termination of the Participant status of: Energy Federation Inc. ("EFI") (AR Sector, LR Sub-Sector, Small LR Group Seat); Great American Power, LLC (Supplier Sector); Oasis Power, LLC d/b/a Oasis Energy [Related Person to Spark Energy et al., (Supplier Sector)]; Praxair, Inc. (End User Sector); Rubicon NYP Corp. (Supplier Sector); and Verde Group, LLC (Provisional Member); and (iii) the Name change of Utility Services of Vermont (f/k/a Utility Services, Inc.). Comments on this filing are due on or before February 22, 2021.

- **January 2021 Membership Filing (ER21-769)**

On December 29, 2020, NEPOOL requested that the FERC accept: (i) the memberships of the following: Cassadaga Wind LLC (Supplier Sector); Centrica Business Solutions Optimize, LLC (Supplier Sector); Pilot Power

⁶³ *Martha Coakley, Mass. Att'y Gen.*, 149 FERC ¶ 61,032 (Oct. 16, 2014) ("*Opinion 531-A*").

⁶⁴ *Martha Coakley, Mass. Att'y Gen.*, Opinion No. 531-B, 150 FERC ¶ 61,165 (Mar. 3, 2015) ("*Opinion 531-B*").

Group, LLC (Supplier Sector); and SmartestEnergy US LLC (Supplier Sector); and the termination of the Participant status of Wheelabrator Bridgeport, LP. Comments on this filing were due on or before January 20, 2021; none were filed. This matter is pending before the FERC.

- **December 2020 Membership Filing (ER21-499)**

On January 29, 2020, the FERC accepted the termination of the Participant status of the following: Eagle's View Partners, Ltd.; Goose River Hydro, Inc.; Patriot Partnership LLC; SFE Energy Connecticut, Inc.; and Emera Energy Services Subsidiary No. 9 LLC.⁶⁵ Unless the January 29 order is challenged, this proceeding will be concluded.

- **Invenia Additional Conditions Informational Filing (ER20-2001)**

Still pending before the FERC is the June 5, 2020 informational filing submitted by ISO-NE pursuant to Section II.A.1(b) of the FAP identifying the additional condition (supplemental financial assurance) required of Invenia for participation in the New England Markets. The additional condition was supported, and made a condition of Invenia's membership, by the Participants Committee at its June 4 meeting. A doc-less intervention was submitted by Public Citizen. This informational filing is still pending before the FERC.

- **Suspension Notices (not docketed)**

Since the last Report, ISO-NE filed, pursuant to Section 2.3 of the Information Policy, a notice with the FERC noting that the following Market Participant was suspended from the New England Markets on the date indicated (at 8:30 a.m.) due to a Payment or Financial Assurance Default:

<i>Date of Suspension/ FERC Notice</i>	<i>Participant Name</i>	<i>Default Type</i>	<i>Date Reinstated</i>
Jan 5/7	Verde Group, LLC	Financial Assurance	Withdrew
Jan 27/29	NTE Connecticut, LLC	Financial Assurance	Feb 1

Suspension notices are for the FERC's information only and are not docketed or noticed for public comment.

X. Misc. - ERO Rules, Filings; Reliability Standards

Questions concerning any of the ERO Reliability Standards or related rule-making proceedings or filings can be directed to Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Joint Staff White Papers on Notices of Penalty for Violations of CIP Standards (AD19-18)**

On September 23, 2020, following review of the comments submitted on their First White Paper,⁶⁶ FERC and NERC staff ("Joint Staffs") issued their second White Paper on Notices of Penalty Pertaining to Violations of

⁶⁵ *New England Power Pool Participants Comm.*, Docket No. ER21-499 (Jan. 29, 2021) (unpublished letter order).

⁶⁶ The first White Paper, prepared jointly by FERC and NERC staff, was issued on August 27, 2019. The First White Paper set out a proposed new format for NERC Notices of Penalty ("NOP") involving violations of CIP Reliability Standards. The First White Paper explained that the revised format was intended to improve the balance between security and transparency in the filing of NOPs. Specifically, NERC CIP NOP submissions would consist of a proposed public cover letter that discloses the name of the violator, the Reliability Standard(s) violated (but not the Requirement), and the penalty amount. NERC would submit the remainder of the CIP NOP filing containing details on the nature of the violation, mitigation activity, and potential vulnerabilities to cyber systems as a nonpublic attachment, along with a request for the designation of such information as CEII.

Few commenters supported the First Joint White Paper proposal without seeking modifications to either expand or reduce the amount of information that would be publicly disclosed. Comments submitted by private citizens, state representatives, and consumer advocate offices supported more disclosure of CIP noncompliance information. By contrast, most industry commenters and trade organizations raised concerns with at least some of the proposed disclosures because of the increased risk to the security of the Bulk-Power System ("BPS").

Cortical Infrastructure Protection (“CIP”) Reliability Standards (“Second White Paper”). Having determined based on those comments that the First White Paper proposal was insufficient to protect the security of the BPS, Joint Staffs modified the prior proposal. Going forward, CIP noncompliance submissions⁶⁷ will be filed or submitted by NERC with a request that the *entire* filing or submittal be designated as Critical Energy/Electric Infrastructure Information (“CEII”) and FERC staff will designate the entire filing or submittal accordingly. Because of the risk associated with the disclosure of CIP noncompliance information, NERC will no longer publicly post redacted versions of CIP noncompliance filings and submittals.

- **NERC Annual Report on FFT & Compliance Exception Programs (RC11-6-011)**

On December 30, 2020, NERC filed its annual report on Find, Fix, and Track (“FFT”) and Compliance Exception programs, in accordance with prior FERC Orders.⁶⁸ In the report, NERC stated that the ERO Enterprise appropriately handles noncompliance posing a minimal or moderate risk through these programs and that the results of the annual report show consistent improvement in program implementation. The report also demonstrates, NERC suggests, significant alignment across the ERO Enterprise, particularly in the processing and understanding of the risk associated with individual noncompliance. Comments on the annual report were due on or before January 21, 2021; none were filed. This matter is pending before the FERC.

- **Revised Reliability Standards: CIP-013-2, CIP-005-7, CIP-010-4 (RD21-2)**

On December 14, 2020, NERC filed for approval proposed changes to Reliability Standards CIP-013-2, CIP-005-7, and CIP-010-4 (the “Supply Chain Standards”). The Supply Chain Standards address supply chain cybersecurity risk management, broadening requirements to include Electronic Access Control or Monitoring Systems (“EACMS”) and Physical Access Control Systems (“PACS”) as applicable systems. NERC asked that the Supply Chain Standards become effective (and the currently effective versions be retired) on the first day of the first calendar quarter that is 18 months following FERC approval. Comments on the annual report were due on or before January 28, 2021; none were filed. This matter is pending before the FERC.

- **CIP Standards Development: Informational Filings on Virtualization and Cloud Computing Services Projects (RD20-2)**

As previously reported, NERC is required to file on an informational basis quarterly status updates regarding the development of new or modified Reliability Standards pertaining to virtualization and cloud computing services (resulting from Projects 2016-02 (Modifications to CIP Standards) and 2019-02 (BES Cyber System Information Access Management)). NERC filed its fourth informational filing on December 15, 2020, reporting no change in schedule for either project from that reported in its supplemental November 2020 filing -- filing of proposed Reliability Standards in December 2021 for both Projects (2019-02 and 2016-02).

- **Revised Reliability Standard: CIP-002-6 (RM20-17)**

On June 12, 2020, NERC filed for approval a revised Reliability Standard -- CIP-002-6 (Cyber Security – BES Cyber System Categorization), and associated implementation plan, VRFs and VSLs (together, the “CIP-002 Changes”). NERC stated that the CIP-002 Changes improve upon the currently effective standard by clarifying the criterion for Transmission Owner Control Centers and tailoring the language to better reflect the risk posed by these Control Centers if unavailable or compromised. As of the date of this Report, the FERC has still not noticed a proposed rulemaking proceeding or otherwise invited public comment.

⁶⁷ Non-compliance submissions include Notices of Penalty (“NOPs”), Spreadsheet NOPs (“SNOPs”), Find, Fix and Track submissions (“FFTs”) and Compliance Exceptions (“CEs”).

⁶⁸ See *N. Am. Elec. Rel. Corp.*, 138 FERC 61,193 (2012) (“March 2012 Order”); *N. Am. Elec. Rel. Corp.*, 143 FERC 61,253 (2013) (“June 2013 Order”); *N. Am. Elec. Rel. Corp.*, 148 FERC 61,214 (2014) (“September 2014 Order”); and *N. Am. Elec. Rel. Corp.*, Docket No. RC11-6-004 (Nov. 13, 2015) (unpublished letter order) (“November 2015 Order”).

- **NOI: Enhancements to CIP Standards (RM20-12)**

On June 18, 2020, the FERC issued a notice of inquiry (“NOI”) seeking comments on certain potential enhancements to the currently-effective CIP Reliability Standards. In particular, the FERC asked for comments on whether the CIP Standards adequately address: (i) cybersecurity risks pertaining to data security, (ii) detection of anomalies and events, and (iii) mitigation of cybersecurity events. In addition, the FERC asked for comments on the potential risk of a coordinated cyberattack on geographically distributed targets and whether FERC action including potential modifications to the CIP Standards would be appropriate to address such risk.

Comments were filed by NERC, the ISO/RTO Council (“IRC”), APPA/LPPC, Canadian Electricity Assoc. (“CEA”), Cogentrix, EEI/EPSCA, Forescout Technologies, MISO TOs, NJ BPU, NRECA, Reliable Energy Analytics, Southwestern Power Administration, Solar Energy Industries Association (“SEIA”), Siemens Energy, Southern Companies, TAPS, U.S. Bureau of Reclamation, U.S. Corp of Army Engineers, Western Area Power Administration (“WAPA”), Wolverine Power Supply Cooperative, XTec, and J. Applebaum, J. Christopher/T. Conway, and J. Cotter. No reply comments were filed. This matter is pending before the FERC.

- **NOI: Virtualization and Cloud Computing Services in BES Operations (RM20-8)**

On February 20, 2020, the FERC issued a NOI seeking comments on (i) the potential benefits and risks associated with the use of virtualization and cloud computing services in association with bulk electric system (“BES”) operations; and (ii) whether the CIP Reliability Standards impede the voluntary adoption of virtualization or cloud computing services.⁶⁹ On March 25, 2020, Joint Associations⁷⁰ requested an extension of time to submit comments and reply comments. On April 2, the FERC granted Joint Associations’ request and extended the deadline for initial comments on the NOI to July 1, 2020; the deadline for reply comments, July 31, 2020. Comments were filed by NERC, the IRC, Accenture, Amazon Web Services (“Amazon”), Bonneville, the Bureau of Reclamation, Barry Jones, Georgia System Operations, GridBright, Idaho Power, Microsoft, MISO, MISO Transmission Owners, Siemens Energy Management, Tri-State Generation and Transmission Association, VMware, Inc., AEE, American Association for Laboratory Accreditation (“A2LA”), APPA, Canadian Electricity Assoc., EEI, NRECA, and Waterfall Security Solutions. Reply comments were due on or before July 31, 2020, and were filed by AEE, Amazon and Microsoft.

In part in response the comments filed, the FERC in a December 17, 2020 order⁷¹ directed NERC to begin a formal process to assess, and to make an informational filing in a little over one year (January 1, 2022) that addresses, the feasibility of voluntarily conducting BES operations in the cloud in a secure manner, as well as the status and schedule for any plans to modify the standards.

- **Order 873 - Retirement of Reliability Standard Requirements (Standards Efficiency Review) (RM19-17; RM19-16)**

On September 17, 2020, the FERC approved the retirement of the 18 Reliability Standard requirements through the retirement of four Reliability Standards and the modification of five Reliability Standards,⁷² concluding that the 18 requirements “(1) provide little or no reliability benefit; (2) are administrative in nature or relate

⁶⁹ *Virtualization and Cloud Computing Services*, 170 FERC ¶ 61,110 (Feb. 20, 2020).

⁷⁰ “Joint Associations” are for purposes of this proceeding: EEI, APPA, NRECA, and LPPC.

⁷¹ *Virtualization and Cloud Computing Services*, 173 FERC ¶ 61,243 (Dec. 17, 2020) (“*Order Directing Jan 2022 Info. Filing*”).

⁷² *Elec. Rel. Org. Proposal to Retire Reqs. in Rel. Standards Under the NERC Standards Efficiency Review*, Order No. 873, 172 FERC ¶ 61,225 (Sep. 17, 2020) (“*Order 873*”). The four Reliability Standards being eliminated in their entirety are FAC-013-2 (Assessment of Transfer Capability for the Near-term Transmission Planning Horizon), INT-004-3.1 (Dynamic Transfers), INT-010-2.1 (Interchange Initiation and Modification for Reliability), MOD-020-0 (Providing Interruptible Demands and Direct Control Load Management Data to System Operations and Reliability Coordinators). The five modified Reliability Standards are INT-006-5 (Evaluation of Interchange Transactions), INT-009-3 (Implementation of Interchange) and PRC-004-6 (Protection System Misoperation Identification and Correction), IRO-002-7 (Reliability Coordination—Monitoring and Analysis), TOP-001-5 (Transmission Operations).

expressly to commercial or business practices; or (3) are redundant with other Reliability Standards.”⁷³ The FERC also approved the associated violation risk factors, violation severity levels, implementation plan, and effective dates proposed by NERC. Because it was not persuaded by NERC’s justification for the retirement of FAC-008-4 requirement R8, the FERC remanded the retirement of requirements R7 and R8 to NERC for further consideration.⁷⁴

The FERC left for another day its final action on the remaining 56 requirements for which the FERC proposed to approve retirement in the *Retirements NOPR*⁷⁵ (the “MOD A Reliability Standards”). The FERC intends to coordinate the effective dates for the retirement of the MOD A Reliability Standards with successor North American Energy Standards Board (“NAESB”) business practice standards (v. 003.3) that include Modeling business practices pending in the *NAESB WEQ v. 003.3 Standards NOPR* (see Section XII below).⁷⁶

- **Amended and Restated NERC Bylaws (RR21-1)**

NERC’s October 14, 2020 petition for FERC approval of its amended and restated Bylaws remains pending. As previously reported, NERC stated that the amendments (i) address governance matters relating to the composition of NERC’s membership Sectors, certain rules relating to the Member Representatives Committee, as well as the qualification of independent trustees for the Board; (ii) update certain provisions to conform with applicable state law; and (iii) improve internal consistency and introduce ministerial changes within the Bylaws with respect to capitalizing defined terms consistently and removing inoperative provisions. Comments, if any, on the Amended and Restated Bylaws were due on or before November 4, 2020; none were filed. This matter remains pending before the FERC.

XI. Misc. - of Regional Interest

- **203 Application: CPV Towantic (EC21-16)**

On January 26, 2021, CPV notified the FERC of the January 25, 2021 consummation of the FERC-authorized acquisition⁷⁷ by CPV Group LP of all of the indirect voting securities owned by GIP II CPV Intermediate Holdings Partnership, L.P. (“GIP II CPV”) in, among others, CPV Towantic, LLC (“CPV Towantic”). As a result of the transaction, Clearway Power Marketing and GenConn Energy are no longer CPV Related Persons. This concludes reporting on this matter.

- **203 Application: Millennium Power Partners (EC20-103)**

On January 4, 2021, Millennium Power Partners, L.P. (“Millennium”) and New Athens Generating Company, LLC (which owns facilities in New York) notified the FERC that the transaction it authorized,⁷⁸ whereby

⁷³ Order 873 at P 2.

⁷⁴ Order 873 at P 5. Pursuant to FPA section 215(d)(4), if the FERC disapproves a modification to a Reliability Standard in whole or in part, it must remand the entire Reliability Standard to NERC for further consideration. Accordingly, although it was satisfied here with the justification for the retirement of R7, the FERC was required to remand both R7 and R8 so that its concerns with the retirement of Requirement R8 could be addressed.

⁷⁵ *Electric Reliability Organization Proposal to Retire Requirements in Rel. Standards Under the NERC Standards Efficiency Review*, 170 FERC ¶ 61,032 (Jan. 23, 2020) (“*Retirements NOPR*”) (proposing to approve the retirement of 74 of 77 Reliability Standard requirements requested to be retired by NERC in these two dockets in connection with the first phase of work under NERC’s Standards Efficiency Review, an initiative begun in 2017 that reviewed the body of NERC Reliability Standards to identify those Reliability Standards and requirements that were administrative in nature, duplicative to other standards, or provided no benefit to reliability). As previously reported, NERC withdrew its proposed changes to VAR-001-6 on May 14, 2020, reducing to 76 the number of requirements proposed to be retired.

⁷⁶ *Standards for Bus. Practices and Communication Protocols for Pub. Utils.*, 85 Fed. Reg. 55201 (Sep. 4, 2020).

⁷⁷ *CPV Fairview, LLC et al.*, 173 FERC ¶ 62,149 (Dec. 17, 2020).

⁷⁸ *New Athens Generating Co., LLC and Millennium Power Partners, L.P.*, 173 FERC ¶ 62,087 (Nov. 18, 2020).

Beal Bank USA, Beal Bank, SSB or their designee(s) ("Beal Bank") would acquire all of their membership interests from Talen, was consummated on December 22, 2020. This concludes reporting on this matter.

- **203 Application: NRG/Direct (EC20-96)**

On January 7, 2021, NRG notified the FERC that it consummated its FERC-authorized⁷⁹ acquisition of, among others, Direct Energy Business and Direct Energy Business Marketing (together, "Direct") on January 5, 2021. This concludes reporting on this matter.

- **203 Application: CMP/NECEC (EC20-24)**

On January 13, 2021, CMP filed a notice that the FERC-authorized transfer⁸⁰ to NECEC Transmission LLC of seven TSAs that provide the rates, terms, and conditions under which transmission service will be provided over the New England Clean Energy Connect ("NECEC") Transmission Line to the participants that are funding construction of the Line was consummated on January 4, 2021. Reporting on this matter is now concluded.

- **SGIA Cancellation: CL&P/Covanta Wallingford (ER21-867)**

On January 11, 2021, CL&P filed a notice of cancellation of the Small Generator Interconnection Agreement ("SGIA") between itself and Covanta Projects of Wallingford, L.P. ("Covanta Wallingford") (designated as service agreement IA-NU-16 and accepted in Docket No. ER10-1654), reflecting the request of Covanta Wallingford, whose Non-Price Retirement request notice was accepted by ISO-NE on December 17, 2014. A January 11, 2021 effective date for the notice of cancellation was requested. Comments on this filing were due on or before February 1; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **LGIA Cancellation: Mt. Tom (ER21-845)**

On January 7, 2021, ISO-NE and Eversource filed a notice of cancellation of the Large Generator Interconnection Agreement ("LGIA") governing the interconnection of Mt. Tom Station. On June 1, 2018, Engie Energy Marketing NA, Inc. formally retired the Mt. Tom Station from the New England Markets. Decommissioning work on the facility began in 2018 and was substantially completed as of February 2020. The interconnection rights for Mt. Tom Station terminated upon the date of its retirement. This filing is to terminate the Original Service Agreement. A March 8, 2021 effective date was requested. Comments on this filing were due on or before January 28; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **LGIA: NSTAR / MMWEC (Stony Brook) (ER21-777)**

On December 31, 2020, NSTAR filed an LGIA with MMWEC for the continued interconnection of MMWEC'S Stony Brook Generating Station located in Ludlow, Massachusetts to NSTAR's transmission system. The LGIA replaces the original 1992 Stony Brook interconnection agreement which, as previously reported, had been extended three times⁸¹ and expired on December 31, 2020. Since the LGIA covers an existing, interconnected facility, and does not set forth any terms or conditions that would otherwise modify the interconnection services provided under the original IA, NSTAR states that a new three-party interconnection agreement (that would include ISO-NE) was not required. A December 31, 2020 effective date was requested. Comments on this filing were due on or before January 21, 2021; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

⁷⁹ *NRG Energy, Inc. et al.*, 173 FERC ¶ 62,103 (Nov. 24, 2020).

⁸⁰ *Central Maine Power Co.*, 170 FERC 62,145 (Mar. 13, 2020).

⁸¹ See *NSTAR Elec. Co.*, Docket No. ER19-2303 (Feb. 22, 2019) (unpublished letter order) (1st extension); *NSTAR Elec. Co.*, Docket No. ER19-2303 (Aug. 22, 2019) (unpublished letter order) (2nd extension); *NSTAR Electric Co.*, Docket No. ER19-2897 (Nov. 5, 2019) (unpublished letter order) (3rd extension).

- **LGIA: CMP / ReEnergy Stratton (ER21-769)**

On December 30, 2020, CMP filed an LGIA to renew and replace the terms of the original interconnection agreement entered into between CMP and ReEnergy Stratton's predecessor in interest (Stratton Energy Associates). Since the LGIA covers an existing, interconnected facility, and does not set forth any terms or conditions that would otherwise modify the interconnection services provided under the original IA, CMP states that a new *three*-party LGIA (that would include ISO-NE) was not required. A December 21, 2020 effective date was requested, and includes a discussion of how charges for service provided from the expiration of the original IA (August 31, 2019) to the requested effective date have been and are to be administered. Comments on this filing were due on or before January 20, 2021; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Interim Distribution Wheeling Agreement: Unitil / Briar Hydro (ER21-759)**

On December 29, 2020, Unitil filed an Interim Distribution Wheeling Service Agreement between Unitil Energy Systems ("UES") and Briar Hydro Associates ("Briar") to provide for Briar's ongoing receipt of distribution wheeling services for the Penacook Lower Falls Resource⁸² (pending UES' filing of a distribution wheeling rate in early 2021). Briar intends to sell the output of the facility into the New England Market. A December 28, 2020 effective date was requested. Comments on this filing were due on or before January 19, 2021; no one were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **D&E Agreement Cancellation: NSTAR / SEMASS (ER21-676)**

On December 17, 2020, NSTAR filed a notice of cancellation of a Design and Engineering Agreement ("D&E Agreement") with SEMASS Partnership ("SEMASS"). The D&E Agreement set forth the terms and conditions under which NSTAR undertook preliminary engineering, design and construction activities on its interconnection facilities to accommodate SEMASS's planned construction activity at its switchyards within its generation station. The D&E Agreement terminated by its terms on July 1, 2020 and all billing reconciliations under the D&E Agreement have been completed. A December 17, 2020 effective was requested. Comments on this filing were due on or before January 7, 2021; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **SGIA: CL&P / ECRRA (ER21-651)**

On December 15, 2020, CL&P filed a SGIA between itself and Eastern Connecticut Resource Recovery Authority ("ECRRA") to allow for the continued interconnection of ECRRA's refuse-to-energy municipal solid waste facility. ECRRA, through Wheelabrator North Andover, intends to sell the output of the facility into the New England Market. Since the SGIA covers an existing, interconnected facility, and does not set forth any terms or conditions that would otherwise modify the interconnection services provided under the original IA, CL&P stated that a new three-party SGIA (that would include ISO-NE) was not required. A December 15, 2020 effective date was requested. Comments on this filing were due on or before January 5, 2021; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **NECEC TSAs: NECEC Transmission Notices of Succession and CMP Notice of Cancellation (ER21-12 et al.)**

On January 8, 2021, NECEC notified the FERC that it succeeded to the 7 transmission service agreements ("TSAs") with the participants that will fund the construction, operation and maintenance of the NECEC Transmission Line on January 4, 2021. Accordingly, NECEC indicated that its transmission tariff records should be made effective as of January 4, 2021. Reporting on this matter has now concluded. As previously

⁸² The Penacook Lower Falls Resource is a 4.5 MW hydro unit located in Boscawen, New Hampshire on the southern bank of the Contoocook River.

reported, the FERC accepted notices addressing the transfer of the 7 transmission service agreements (“TSAs”) with the participants that will fund the construction, operation and maintenance of the NECEC Transmission Line, subject to notice regarding the actual effective date.⁸³ Comments on the filings were due on or before January 29; none were filed. Reporting on this matter has now concluded. If you have any questions concerning these matters, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Orders 864/864-A (Public Util. Trans. ADIT Rate Changes): New England Compliance Filings (various)**

In accordance with *Order 864*⁸⁴ and *Order 864-A*,⁸⁵ and extensions of time granted, New England’s public utilities with transmission have submitted their *Order 864* compliance filings, with the specific dockets and filing dates identified in the following table (all remain pending):

Date Filed	Docket	Transmission Provider	Date Accepted
Oct 30, 2020	ER21-311	Green Mountain Power	pending
Aug 5, 2020	ER20-2614	New England Power Support Agreement	pending
Aug 5, 2020	ER20-2610	CL&P	pending
Aug 5, 2020	ER20-2609	NSTAR	pending
Aug 5, 2020	ER20-2608	PSNH	pending
Aug 4, 2020	ER20-2607	NEP – Seabrook Transmission Support Agreement	pending
Jul 31, 2020	ER20-2594	VTransco	pending
Jul 30, 2020	ER20-2551	New England Power	pending
Jul 30, 2020	ER20-2553	NEP – LSA with MECO/Nantucket	pending
Jul 30, 2020	ER20-2572	New England TOs	pending
Jul 15, 2020	ER20-2429	CMP	pending
Jun 29, 2020	ER20-2219	New England Power	pending
Jun 23, 2020	ER20-2133	Versant Power	pending
May 18, 2020 Jan 7, 2021	ER20-1839	VETCO	pending
Feb 26, 2020 Dec 11, 2020	ER20-1089	New England Elec. Trans. Corp.	pending
Feb 26, 2020 Dec 11, 2020	ER20-1088	New England Hydro Trans. Elec. Co.	pending
Feb 26, 2020 Dec 11, 2020	ER20-1087	New England Hydro Trans. Corp.	pending

⁸³ *NECEC Transmission LLC*, Docket No. ER21-12-000 (Nov. 30, 2020). November 30, 2020 and December 18, 2020,. The NECEC Transmission succession notices to the 7 TSAs were separately docketed as follows: Eversource (ER21-12); National Grid (ER20-13); Unitil (ER21-14); HQ US/Eversource (ER21-15); HQ US/National Grid (ER21-17); HQ US/Unitil (ER21-18); and HQ US Additional (ER21-19). See also *Central Maine Power Co.*, Docket No. ER21-20 (Dec. 18, 2020) (accepting CMP notice of cancellations; effective date to be identified in a subsequent compliance filing).

⁸⁴ *Public Util. Trans. Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (Nov. 21, 2019), *reh’g denied and clarification granted in part*, 171 FERC ¶ 61,033 (Apr. 16, 2020) (“*Order 864*”). *Order 864* requires all public utility transmission providers with transmission rates under an OATT, a transmission owner tariff, or a rate schedule to revise those rates to account for changes caused by the 2017 Tax Cuts and Jobs Act (“2017 Tax Law”). Specifically, for transmission formula rates, *Order 864* requires public utilities (i) to deduct excess ADIT from or add deficient ADIT to their rate bases and adjust their income tax allowances by amortized excess or deficient ADIT; and (ii) to incorporate a new permanent worksheet into their transmission formula rates that will annually track ADIT information.

⁸⁵ *Public Util. Trans. Rate Changes to Address Accumulated Deferred Income Taxes*, 171 FERC ¶ 61,033, Order No. 864-A (Apr. 16, 2020) (“*Order 864-A*”).

- **FERC Enforcement Action: NRG Power Marketing (IN20-4)**

On January 8, 2021, the FERC approved, in a 2-1 decision (Danly dissenting), a Stipulation and Consent Agreement with NRG Power Marketing LLC (“NRG”), requiring NRG to pay a **\$85,000 civil penalty** to resolve the FERC’s investigation into whether NRG violated the FERC’s Anti-Manipulation Rules, ISO-NE Market Rule 1, § III.13 and FERC regulations when it submitted inaccurate cost-based static de-list bids for Middletown and Montville during the FCA11 qualification period.⁸⁶ Following a December 21, 2016 referral by the ISO-NE IMM, Enforcement initiated an investigation into whether NRG’s static de-list bids and related communications with the IMM accurately stated NRG’s expectation regarding scarcity-hours in the expected Capacity Performance Payments components of the static de-list bids. After examining the evidence, Enforcement concluded that NRG misstated (by overstatement) its expectation regarding scarcity hours, which resulted in higher static de-list bid prices submitted for the Resources and misstated the Resources’ net going forward costs with respect to its treatment of mothball costs in the static de-list bids. Interestingly, then-Chairman Danly was of the view that (i) once Enforcement determined that the IMM’s market manipulation allegations were unfounded, the investigation should have been terminated; and (ii) that penalties were not warranted, particularly where the misstatement or omissions were not material or there is an opportunity for review and revision of a “less-than-perfect submissions[]to the IMM or the Commission.”⁸⁷ If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **FERC Enforcement Action: Algonquin Power Windsor Locks (IN21-2)**

On January 5, 2021, the FERC approved a Stipulation and Consent Agreement with Algonquin Power Windsor Locks LLC⁸⁸ (“Windsor Locks”) that resolved OE’s investigation into whether Windsor Locks complied with its ISO-NE Tariff offer obligations during the period July 1, 2012 through September 24, 2013. Enforcement determined that Windsor Locks’ failure to make required offers into the ISO-NE energy markets violated provisions of the ISO-NE Tariff related to the Forward Capacity and Forward Reserve Markets and section 35.41(a) of the Commission’s regulations. Under the Settlement, in which Windsor Locks neither admits nor denies the alleged violations, Windsor Locks must **disgorge \$1,119,073.15** (which includes interest) to ISO-NE, to be allocated by ISO-NE in its discretion for the benefit of load and upon approval by Enforcement of ISO-NE’s plan for doing so, and **pay a \$1 million civil penalty** to the United States Treasury. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

XII. Misc. - Administrative & Rulemaking Proceedings

- **ISO/RTO Credit Principles and Practices (AD21-6)**

On November 4, 2020, the FERC issued a notice that staff will convene a February 25-26, 2021 technical conference to discuss principles and best practices for credit risk management in ISO/RTOs. The conference may address the following aspects of credit policy: ISO/RTO credit and risk management infrastructure; best practices and principles underlying capitalization requirements, financial security requirements, and unsecured credit allowances; the applicability of Know Your Customer (“KTC”) protocols and other counterparty risk management tools; considerations for implementing FTR-specific credit policies, such as a mark-to-auction mechanism; and the relationship between credit policy and wholesale electric market design. Commissioners may participate in the technical conference. The conference will be open for the public to attend. Supplemental notice(s) will be issued prior to the technical conference with further details regarding the agenda and organization of the conference.

⁸⁶ *NRG Power Marketing LLC*, 174 FERC ¶ 61,016 (Jan. 8, 2021)

⁸⁷ *Id.* at PP 34, 40.

⁸⁸ *Algonquin Power Windsor Locks LLC*, 174 FERC ¶ 61,001 (Jan. 5, 2021).

Recall that, as previously reported, Energy Trading Institute⁸⁹ requested that the FERC hold a technical conference and conduct a rulemaking to update the requirements adopted in *Order 741*⁹⁰ and Section 35.47 of the FERC's regulations addressing credit and risk management in the markets operated by ISO/RTOs. The FERC issued a notice of and received comments on ETI's request (AD20-6) in early 2020. The February technical conference is responsive to that request.

- **Offshore Wind Integration in RTOs/ISOs Tech Conf (Oct 27, 2020) (AD20-18)**

On October 27, 2020, the FERC convened a staff-led technical conference to consider whether and how existing RTO and ISO interconnection, merchant transmission and transmission planning frameworks can accommodate anticipated growth in offshore wind generation in an efficient or cost-effective manner that safeguards open access transmission principles. The conference also provided an opportunity for participants to discuss possible changes or improvements to the current regulatory frameworks that may accommodate such growth. Speaker materials and a transcript of the technical conference are posted in eLibrary.

- **Carbon Pricing in RTO/ISO Markets Tech Conf (Sep 30, 2020) (AD20-14)**

On September 30, 2020, the FERC convened a Commissioner-led technical conference to discuss considerations related to state adoption of mechanisms to price carbon dioxide emissions, commonly referred to as carbon pricing, in regions with FERC-jurisdictional organized wholesale electricity markets. The September 30 conference was a response to (i) the April 14, 2020 request by Interest Parties,⁹¹ who asserted that a technical conference "would be helpful to the Commission and stakeholders in the electric energy industry in deciding how best to move forward at the state and regional levels on these issues and in the relevant organized markets" complementing "state, regional, and national discussions currently taking place" as well as to (ii) the more than 30 sets of comments on the request that were filed. Speaker opening remarks (including those of [Gordon van Welie](#), [Matt White](#), and other New England stakeholders), and comments are posted in eLibrary, as is a [transcript of the conference](#).

Notice of Proposed Policy Statement. Following the technical conference, on October 15, 2020, the FERC issued a Notice of Proposed Policy Statement.⁹² The FERC stated that the *Proposed Policy Statement* is "to clarify the Commission's jurisdiction over RTO/ISO market rules that incorporate a state-determined carbon price and to encourage RTO/ISO efforts to explore and consider the benefits of potential [FPA] section 205 filings to establish such rules." Specifically, the FERC proposed "to make it the policy of this Commission to encourage efforts by RTOs/ISOs and their stakeholders—including States, market participants, and consumers—to explore establishing wholesale market rules that incorporate state-determined carbon prices in RTO/ISO markets."⁹³ The FERC solicited comment on whether the following information and considerations it identified are "germane to the Commission's evaluation of a section 205 filing to determine whether an RTO/ISO's market rules that incorporate

⁸⁹ In its request, The Energy Trading Institute ("ETI") describes itself generally as "represent[ing] a diverse group of energy market participants, all with substantial interests in wholesale electricity transactions in Commission-jurisdictional markets. ETI members provide important services to a wide variety of wholesale energy market participants. They act as intermediaries between producers and consumers of electric energy that have mismatched quantity, timing, and contract type needs. In addition, they provide liquidity by engaging in energy related commercial transactions with a variety of market entities including, but not limited to, generation owners, project developers, load-serving entities, and investors. ETI members advocate for markets that are open, transparent, competitive and fair - all necessary attributes for markets ultimately to benefit electricity consumers."

⁹⁰ *Credit Reforms in Organized Wholesale Elec. Mkts.*, 75 Fed. Reg. 65942 (2010), FERC Stats. & Regs. ¶ 31,317 (2010) ("*Order 741*"); *order on reh'g*, 76 Fed. Reg. 10492 (2011), FERC Stats. & Regs. ¶ 31,320 (2011) ("*Order 741-A*"); *order on reh'g*, 135 FERC ¶ 61,242 (2011) ("*Order 741-B*"); 18 C.F.R. § 35.47.

⁹¹ "Interested Parties" are AEE, the American Council on Renewable Energy, the American Wind Energy Association, Brookfield Renewable, Calpine, CPV, EPSA, the Independent Power Producers of New York ("IPPNY"), LS Power Associates ("LS Power"), the Natural Gas Supply Association ("NGSA"), NextEra, PJM Power Providers Group, R Street Institute, and Vistra Energy Corp.

⁹² *Carbon Pricing in Organized Wholesale Electricity Markets*, 173 FERC ¶ 61,062 (Oct. 15, 2020) ("*Proposed Policy Statement*").

⁹³ *Id.* at P 15.

a state-determined carbon price in RTO/ISO markets are just, reasonable and not unduly discriminatory or preferential” or whether different or additional considerations may be or must be taken into account:

- a. How, if at all, do the relevant market design considerations change depending on the manner in which the state or states determine the carbon price (e.g., price-based or quantity-based methods)? How will that price be updated?
- b. How does the FPA section 205 proposal ensure price transparency and enhance price formation?
- c. How will the carbon price or prices be reflected in LMP?
- d. How will the incorporation of the state-determined carbon price into the RTO/ISO market affect dispatch? Will the state-determined carbon price affect how the RTO/ISO co-optimizes energy and ancillary services? Are any reforms to the co-optimization rules necessary in light of the state-determined carbon price?
- e. Does the proposal result in economic or environmental leakage? How does the proposal address any such leakage?

Comments on the *Proposed Policy Statement* were due by November 16, 2020 and were filed by, among others: NEPOOL, NESCOE, AEE, Brookfield, Calpine, Eversource, HQUS, LSP Power, MA AG, National Grid, NEPGA, and NRG. Reply comments were due by December 1, 2020, and were filed by 12 parties, including Covanta, Exelon, EPSA, NRG, the NYPSC. This matter is pending before the FERC.

- **Hybrid Resources (AD20-9)**

On July 23, 2020, the FERC convened a technical conference to discuss technical and market issues prompted by growing interest in projects that are comprised of more than one resource type at the same plant location (“hybrid resources”). The focus was on generation resources and electric storage resources paired together as hybrid resources. Speaker materials and a transcript of the technical conference have been posted to the FERC’s eLibrary. Post-technical conference comments were filed by ISO-NE, CAISO, MISO, NYISO, PJM, Enel, American Council on Renewable Energy, AWEA, EEI, EPRI, R Street Institute, Savion, and SEIA.

On January 19, 2021, the FERC issued an order directing each ISO/RTO to submit, within 6 months (or before July 19, 2021), a report that provides: (a) a description of its current practices related to each of the following four hybrid resource issues: (1) terminology; (2) interconnection; (3) market participation; and (4) capacity valuation (collectively, the Issues); (b) an update on the status of any ongoing efforts to develop reforms related to each of the Issues; and (c) responses to the specific requests for information contained in the order. Public comments in response to the RTO/ISO reports may be submitted within 30 days of the filing of the reports. The FERC will use the reports and comments to determine whether further action is appropriate.

- **Grid Resilience in RTO/ISOs; DOE NOPR (AD18-7)**

On January 8, 2018, the FERC initiated a Grid Resilience in RTO/ISOs proceeding (AD18-7)⁹⁴ and terminated the DOE NOPR rulemaking proceeding (RM18-1).⁹⁵ In terminating the DOE NOPR proceeding, the FERC concluded

⁹⁴ *Grid Rel. and Resilience Pricing*, 162 FERC ¶ 61,012 (Jan. 8, 2018), *reh’g requested*.

⁹⁵ As previously reported, the FERC opened the DOE NOPR proceeding in response to a September 28, 2017 proposal by Energy Secretary Rick Perry, issued under a rarely-used authority under §403(a) of the Department of Energy (“DOE”) Organization Act, that would have required RTO/ISOs to develop and implement market rules for the full recovery of costs and a fair rate of return for “eligible units” that (i) are able to provide essential energy and ancillary reliability services, (ii) have a 90-day fuel supply on site in the event of supply disruptions caused by emergencies, extreme weather, or natural or man-made disasters, (iii) are compliant with all applicable environmental regulations, and (iv) are not subject to cost-of-service rate regulation by any State or local authority. More than 450 comments were submitted in response to the DOE NOPR, raising and discussing an exceptionally broad spectrum of process, legal, and substantive arguments. A summary of those initial comments was circulated under separate cover and can be found with the posted

that the Proposed Rule and comments received did not support FERC action under Section 206 of the FPA, but did suggest the need for further examination by the FERC and market participants of the risks that the bulk power system faces and possible ways to address those risks in the changing electric markets. On February 7, Foundation for Resilient Societies (“FRS”) requested rehearing of the January 8 order terminating the DOE NOPR proceeding. The FERC issued a tolling order on March 8, 2018 to afford it additional time to consider the FRS request for rehearing, which remains pending.

Grid Resilience Administrative Proceeding (AD18-7). AD18-7 was initiated to evaluate the resilience of the bulk power system in RTO/ISO regions. The FERC directed each RTO/ISO to submit information on certain resilience issues and concerns, and committed to use the information submitted to evaluate whether additional FERC action regarding resilience is appropriate. RTO submissions were due on or before March 9, 2018.

ISO-NE Response. In its response, ISO-NE identified fuel security⁹⁶ as the most significant resilience challenge facing the New England region. ISO-NE reported that it has established a process to discuss market-based solutions to address this risk, and indicated that it believed it will need through the second quarter of 2019 to develop a solution and test its robustness through the stakeholder process. In the meantime, ISO-NE indicated that it would continue to independently assess the level of fuel-security risk to reliable system operation and, if circumstances dictate, would take, with FERC approval when required, actions it determines to be necessary to address near-term reliability risks. ISO-NE’s response was broken into three parts: (i) an introduction to fuel-security risk; (ii) background on how ISO-NE’s work in transmission planning, markets, and operations support the New England bulk power system’s resilience; and (iii) answers to the specific questions posed in the January 8 order.

Industry Comments. Following a 30-day extension issued on March 20, 2018, reply comments were due on or before May 9, 2018. NEPOOL’s comments, which were approved at the May 4 meeting, were filed May 7, and were among over 100 sets of initial comments filed. A summary of the comments that seemed most relevant to New England and NEPOOL was circulated to the Participants Committee on May 15 and is posted on the [NEPOOL website](#). On May 23, NEPOOL submitted a limited response to four sets of comments, opposing the suggestions made in those pleadings to the extent that the suggestions would not permit full use of the Participant Processes. Supplemental comments and answers were also filed by FirstEnergy, MISO South Regulators, NEI, and EDF. Exelon and American Petroleum Institute filed reply comments. FirstEnergy included in this proceeding its motion for emergency action also filed in ER18-1509 (ISO-NE Waiver Filing: Mystic 8 & 9), which Eversource answered (in both proceedings). Reply comments were filed by APPA and AMP and the Nuclear Energy Institute (“NEI”) moved to lodge presentations by the National Infrastructure Advisory Council. On December 6, the Harvard Electricity Law Initiative filed a comment suggesting that, as a matter of law, “Commission McNamee cannot be an impartial adjudicator in these proceedings” and “any proceeding about rates for ‘fuel-secure’ generators” and should recuse himself. Similarly, on December 18, “Clean Energy Advocates”⁹⁷ requested Commissioner McNamee recuse himself from these proceedings. Since the last Report, on January 11, 2021, America’s Power submitted comments. These matters remain pending before the FERC.

FirstEnergy DOE Application for Section 202(c) Order. In a related but separate matter, FirstEnergy Solutions (“FirstEnergy”) asked the Department of Energy (“DOE”) in late March, 2018 to issue an emergency order to provide cost recovery to coal and nuclear plants in PJM, saying market conditions there are a “threat to energy security and reliability”. FirstEnergy made the appeal under Section 202(c) of the FPA, which allows the

materials for the November 3, 2017 Participants Committee meeting. Reply comments and answers to those comments were filed by over 100 parties.

⁹⁶ ISO-NE defined fuel security as “the assurance that power plants will have or be able to obtain the fuel they need to run, particularly in winter – especially against the backdrop of coal, oil, and nuclear unit retirements, constrained fuel infrastructure, and the difficulty in permitting and operating dual-fuel generating capability.”

⁹⁷ For purposes of these proceedings, “Clean Energy Advocates” are NRDC, Sierra Club and UCS.

DOE to issue emergency orders to keep plants operating, but has previously been exercised only in response to natural disasters. Action on that 2018 request is pending.

- **NOPR: Managing Transmission Line Ratings (RM20-16)**

On November 19, 2020, the FERC issued a NOPR⁹⁸ proposing to reform both the *pro forma* OATT and its regulations to improve the accuracy and transparency of transmission line ratings. Specifically, the NOPR proposes to require: transmission providers to implement ambient-adjusted ratings on the transmission lines over which they provide transmission service; ISO/RTOSs to establish and implement the systems and procedures necessary to allow transmission owners to electronically update transmission line ratings at least hourly; and transmission owners to share transmission line ratings and transmission line rating methodologies with their respective transmission provider(s) and, in ISO/RTOs, with their respective market monitor(s). Comments on the *Managing Transmission Line Ratings NOPR* are due on or before March 22, 2021.⁹⁹ Thus far, comments have been submitted by PacificCorp.

- **NOPR: Electric Transmission Incentives Policy (RM20-10)**

Still pending is the FERC's March 20, 2020 NOPR¹⁰⁰ proposing to revise its existing transmission incentives policy and corresponding regulations.¹⁰¹ The proposed revisions include the following:

- ◆ A shift from risks and challenges to a **consumers' benefits test** that focuses on ensuring reliability and reducing the cost of delivered power by reducing transmission congestion.
- ◆ **ROEs incentive for Economic Benefits.** A 50-basis-point adder for transmission projects that meet an economic benefit-to-cost ratio in the top 75th percentile of transmission projects examined over a sample period and an additional 50-basis-point adder for transmission projects that demonstrate *ex post* cost savings that fall in the 90th percentile of transmission projects studied over the same sample period, as measured at the end of construction.
- ◆ **ROE for Reliability Benefits.** A 50-basis-point adder for transmission projects that can demonstrate potential reliability benefits by providing quantitative analysis, where possible, as well as qualitative analysis.
- ◆ **Abandoned Plant Incentive.** 100 percent of prudently incurred costs of transmission facilities selected in a regional transmission planning process that are cancelled or abandoned due to factors that are beyond the control of the applicant. Recovery from the date that the project is selected in the regional transmission planning process.
- ◆ **Eliminate Transco Incentives.**
- ◆ **RTO-Participation Incentive.** A 100-basis-point increase for transmitting utilities that turn over their wholesale facilities to an RTO, ISO, or Transmission Organization, and available regardless of whether participation is voluntary.
- ◆ **Transmission Technologies Incentives.** Eligible for both a stand-alone, 100-basis-point ROE incentive on the costs of the specified transmission technology project and specialized regulatory asset treatment. Pilot programs presumptively eligible (though rebuttable).
- ◆ **250-Basis-Point Cap.** Total ROE incentives capped at 250 basis points in place of current "zone of reasonableness" limit.
- ◆ **Updated Date Reporting Processes.** Information to be obtained on a project-by-project basis, information collection expanded, updated reporting process.

⁹⁸ *Managing Transmission Line Ratings*, 173 FERC ¶ 61,165 (Nov. 19, 2020) ("*Managing Transmission Line Ratings NOPR*").

⁹⁹ The *Managing Transmission Line Ratings NOPR* was published in the *Fed. Reg.* on Jan. 21, 2021 (Vol. 86, No. 12) pp. 6,420-6,444.

¹⁰⁰ *Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act*, 170 FERC ¶ 61,204 (Mar. 20, 2020) ("*Electric Transmission Incentives NOPR*").

¹⁰¹ 18 CFR 35.35 (2020).

A more detailed summary of the NOPR was distributed to the Transmission Committee and discussed at the TC's March 25, 2020 meeting. Over 80 sets of comments on the proposed revisions were filed on or before the July 1, 2020¹⁰² comment date, including comments by: Avangrid, EDF Renewables, EMCOS, Eversource, Exelon, LS Power, MMWEC/NHEC/CMEEC, National Grid, NESOCE, NextEra, UCS, CT PURA, and Potomac Economics. Reply comments were filed by AEP, ITC Holding, the N. California Transmission Agency, and WIRES. The NOPR remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Order 2222: DER Participation in RTO/ISO Markets (RM18-9)**

On September 17, 2020, the FERC issued a final rule ("*Order 2222*")¹⁰³ adopting reforms to remove what it found were barriers to the participation of distributed energy resource ("*DER*")¹⁰⁴ aggregations in the RTO/ISO markets. *Order 2222* requires each RTO/ISO to revise its tariff to ensure that its market rules facilitate the participation of DER aggregations. Specifically, the tariff provisions addressing DER aggregations must:

- (1) allow DER aggregations to participate directly in RTO/ISO markets and establish DER aggregators as a type of market participant;
- (2) allow DER aggregators to register DER aggregations under one or more participation models that accommodate the physical and operational characteristics of the DER aggregations;
- (3) establish a minimum size requirement for DER aggregations that does not exceed 100 kW;
- (4) address locational requirements for DER aggregations;
- (5) address distribution factors and bidding parameters for DER aggregations;
- (6) address information and data requirements for DER aggregations;
- (7) address metering and telemetry requirements for DER aggregations;
- (8) address coordination between the RTO/ISO, the DER aggregator, the distribution utility, and the relevant electric retail regulatory authorities;
- (9) address modifications to the list of resources in a DER aggregation;
- (10) address market participation agreements for DER aggregators; and
- (11) Accept bids from a DER aggregator if its aggregation includes DERs that are customers of utilities that distributed more than 4 million MWh in the previous fiscal year. An RTO/ISO must not accept bids from a DER aggregator if its aggregation includes DERs that are customers of utilities that distributed 4 million MWhs or less in the previous fiscal year, unless the relevant electric retail regulatory authority permits such customers to be bid into RTO/ISO markets by a DER aggregator.

¹⁰² The *Electric Transmission Incentives* NOPR was published in the *Fed. Reg.* on Apr. 2, 2020 (Vol. 85, No. 64) pp. 18,784-18,810. Requests for extension of time to file comments were filed by American Manufacturers, APPA/TAPS, and State Entities; WIRES and EEI each opposed the requested extensions. No extension of time to file comments was granted.

¹⁰³ *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 172 FERC ¶ 61,247 (Sep. 17, 2020).

¹⁰⁴ The FERC defined a DER as "any resource located on the distribution system, any subsystem thereof or behind a customer meter. These resources may include, but are not limited to, electric storage resources, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment."

Each RTO/ISO must file the tariff changes needed to implement the requirements of *Order 2222* on or before July 19, 2021.¹⁰⁵ To the extent that an RTO/ISO proposes to comply with any or all of the requirements in *Order 2222* using its currently effective requirements for DERs, it must demonstrate on compliance that its existing approach meets *Order 2222*'s requirements.

Requests for Rehearing Denied by Operation of Law. Requests for clarification and/or rehearing of *Order 2222* were filed by Excel Energy Services, the Kansas Corporation Commission, AEE and AEMA, and Public Interest Organizations.¹⁰⁶ On November 19, 2020, the FERC issued a "Notice of Denial of Rehearings by Operation of Law and Providing for Further Consideration".¹⁰⁷ The Notice confirmed that the 60-day period during which a petition for review of *Order 2222* can be filed with an appropriate federal court was triggered when the FERC did not act on the requests for rehearing of *Order 2222*. The Notice also indicated that the FERC would address, as is its right, the rehearing requests in a future order, and may modify or set aside its orders, in whole or in part, "in such manner as it shall deem proper."

- **Order 860/860-A: Data Collection for Analytics & Surveillance and MBR Purposes (RM16-17)**

As previously reported, *Order 860*,¹⁰⁸ issued three years after the FERC's *Data Collection NOPR*,¹⁰⁹ (i) revises the FERC's MBR regulations by establishing a relational database of ownership and affiliate information for MBR Sellers (which, among other uses, will be used to create asset appendices and indicative screens), (ii) reduces the scope of information that must be provided in MBR filings, modifies the information required in, and format of, a MBR Seller's asset appendix, (iii) changes the process and timing of the requirements to advise the FERC of changes in status and affiliate information, and (iv) eliminates the requirement adopted in *Order 816* that MBR Sellers submit corporate organization charts. In addition, the FERC stated that it will not adopt the *Data Collection NOPR* proposal to collect Connected Entity data from MBR Sellers and entities trading virtuals or holding FTRs. The FERC will post on its website high-level instructions that describe the mechanics of the relational database submission process and how to prepare filings that incorporate information that is submitted to the relational database. As recently extended (*see below*), *Order 860* will become effective April 1, 2021, and submitters will have until close of business on August 2, 2021 to make their initial baseline submissions. Submitters will be required to obtain in Spring 2021 FERC-generated IDs for reportable entities that do not have CIDs or LEIs, as well as Asset IDs for reportable generation assets without an EIA code so that every ultimate upstream affiliate or other reportable entity has a FERC-assigned company identifiers ("CID"), Legal Entity Identifier,¹¹⁰ or FERC-generated ID and that all reportable generation assets have an code from the Energy Information Agency ("EIA") Form EIA-860 database or a FERC-assigned Asset ID. Requests for rehearing and/or clarification of *Order 860* were denied,¹¹¹ other than TAPS' request that the FERC clarify that the public will be able to access the relational database. On that point, the FERC clarified "that we will make available services through which the public will be able to access organizational charts, asset appendices, and other reports, as well as have access to the same historical data as Sellers, including all

¹⁰⁵ *Order 2222* was published in the *Fed. Reg.* on Oct. 21, 2020 (Vol. 85, No. 204) pp. 67,094-6,158.

¹⁰⁶ For purposes of this proceeding, "Public Interest Organizations" are Sierra Club, Sustainable FERC Project and NRDC.

¹⁰⁷ *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Indep. Sys. Operators*, 173 FERC ¶ 62,090 (Nov. 19, 2020).

¹⁰⁸ *Data Collection for Analytics and Surveillance and Market-Based Rate Purposes*, 168 FERC ¶ 61,039 (July 18, 2019) ("*Order 860*"), *order on reh'g and clarif.*, 170 FERC ¶ 61,129 (Feb. 20, 2020).

¹⁰⁹ *Data Collection for Analytics and Surveillance and Market-Based Rate Purposes*, 156 FERC ¶ 61,045 (July 21, 2016) ("*Data Collection NOPR*").

¹¹⁰ An LEI is a unique 20-digit alpha-numeric code assigned to a single entity. They are issued by the Local Operating Units of the Global LEI System.

¹¹¹ *Data Collection for Analytics and Surveillance and Market-Based Rate Purposes*, Order No. 860-A, 170 FERC ¶ 61,129 (Feb. 20, 2020) ("*Order 860-A*").

market-based rate information submitted into the database. We also clarify that the database will retain information submitted by Sellers and that historical data can be accessed by the public.”

MBR Database. On January 10, 2020, the FERC issued a notice that updated versions of the XML, XSD, and MBR Data Dictionary are available on the FERC’s [website](#) and that the test environment for the MBR Database is now available and can be accessed on the [MBR Database webpage](#).

Effective Date Extended by 6 Months. On May 6, 2020, EEI requested a four-month extension of implementation of *Order 860*. EPSA supported that request on May 13, 2020. On May 20, the FERC issued a notice extending the effective and associated implementation dates of *Order 860* by six months. The new *Order 860* effective date will be April 1, 2021, and the deadline for baseline submissions to and including August 2, 2021. First change in status filings under these new timelines will be due August 31, 2021.

- **NOPR: NAESB WEQ Standards v. 003.3 - Incorporation by Reference into FERC Regs (RM05-5-029, -030)**

On July 16, 2020, the FERC issued a NOPR proposing to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003.3) of certain Standards for Business Practices and Communication Protocols for Public Utilities adopted by the NAESB Wholesale Electric Quadrant (“WEQ”).¹¹² Despite having only recently incorporated Version 003.2 in its regulations, the FERC proposed to move forward on Version 003.3 because this Version contains a number of major initiatives whose incorporation by reference “will improve the security and the efficiency of business transactions. These include enhanced cybersecurity standards resulting from an assessment by Sandia, improved methodologies for resolving transmission loading relief, and standards for determining available transfer capacity.”¹¹³ Comments on the *NAESB WEQ v. 003.3 Standards NOPR* were due on or before November 3, 2020¹¹⁴ and were filed by Bonneville Power Administration (“BPA”), EEI, the IRC, and Open Access Technology International. The *NAESB WEQ v. 003.3 Standards NOPR* is pending before the FERC.

- **Waiver of Tariff Requirements (PL20-7)**

On May 21, 2020, the FERC issued a Proposed Policy Statement that would clarify its policy regarding requests for waiver of tariff provisions.¹¹⁵ The *Proposed Policy Statement* sets forth the approach the FERC would take going forward to ensure compliance with the filed rate doctrine and the rule against retroactive making. The proposed policy will both clarify and modify waiver standards, and in some instances, make it harder to obtain waivers.

Specifically, the FERC proposed the following guidance on filing procedures to implement its new approach for granting waivers of tariff provisions and to no longer grant retroactive waivers except as consistent with the *Proposed Policy Statement*:

1. *Style Requests as Requests for Remedial Relief.* Filings seeking relief in connection with actions or omissions that have already occurred prior to the date relief is sought from the FERC would be characterized as a request for remedial relief (rather than as a request for a waiver). In response to such a request, the FERC will focus on what remedy, if any, is required to cure acknowledged or alleged deviations from a filed tariff. “Waiver” is to be limited to (a) requests for prospective relief when a requested future deviation from the filed tariff has not yet occurred at the time a request is filed; or (b) petitions for remedial relief when a tariff

¹¹² *Standards for Business Practices and Communication Protocols for Public Utilities*, 172 FERC ¶ 61,047 (July 16, 2020) (“*NAESB WEQ v. 003.3 Standards NOPR*”).

¹¹³ The *NAESB WEQ v. 003.3 NOPR* at P .

¹¹⁴ The *NAESB WEQ v. 003.3 NOPR* was published in the *Fed. Reg.* on Sep. 4, 2020 (Vol. 85, No. 173) pp. 55,201-55,219.

¹¹⁵ *Waiver of Tariff Requirements*, 171 FERC ¶ 61,156 (May 21, 2020) (“*Proposed Policy Statement*”).

expressly authorizes regulated entities to seek a remedial waiver from the FERC for past non-compliance with the filed tariff.

2. *Form of Filing.* When the entity requesting remedial relief is the entity that acted (or believes it may have acted) in a manner inconsistent with the tariff, such requests should be filed as petitions for declaratory order under Rule 207 of the FERC's Rules of Practice and Procedure. When the filing entity alleges a different entity has acted in a manner inconsistent with the tariff, such requests should be filed as complaints under Rule 206. Given the filing fees associated with petitions for declaratory order, the industry was encouraged to directly address this aspect of the proposal.
3. *Expressly Request FERC Action pursuant to FPA section 309 or NGA section 16.4.* These provisions have been found to afford the FERC the latitude to remedy past non-compliance "provided the agency's action conforms with the purposes and policies of Congress and does not contravene any terms of the Act."

The FERC acknowledged that this Policy would represent a change from its past approach, particularly in situations where inadvertent failures to comply with ministerial tariff requirements have not been protested. The FERC suggested a few ways tariffs may be modified to avoid what may appear by comparison to be harsh outcomes, including expressly stating in the tariff that a failure to comply with a certain deadline may be waived by order of the FERC or by allowing various kinds of errors to be cured within a reasonable period of time after a default has occurred or an error has been discovered, but is difficult to imagine how feasible or how well these options might work in practice.

The FERC proposed to incorporate its current four-part analysis¹¹⁶ in considering both requests for prospective waiver and petitions for remedial relief, but cautioned that it would apply that analysis only in those limited circumstances where the request for remedial relief would not violate the filed rate doctrine or the rule against retroactive ratemaking due to adequate prior notice, or the requested relief is within the FERC's authority to grant under FPA section 309 or NGA section 16.

Finally, the FERC proposed requiring a stronger showing when a petitioner is seeking remedial relief for its own failure to comply with a tariff – petitions will be more compelling when the failure to comply was due to something more than inadvertent error or administrative oversight. Petitions for remedial relief will generally be denied when a protestor credibly contends, or the FERC independently determines, that the requested remedial relief will result in undesirable consequences (e.g. harm to third parties).

With respect to prospective requests to waive the 60-day prior notice requirement under FPA section 205(d) (or the 30-day prior notice requirement under NGA section 4(d)), which the FERC has discretion to waive "for good cause shown," the FERC proposes to leave in effect its policy of generally granting such waivers,¹¹⁷ to the extent that entities seek an effective date no earlier than the day *after* the date a rate change is submitted to the FERC.

¹¹⁶ Under current practice, the FERC grants tariff provision waivers where: (1) the underlying error was made in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.

¹¹⁷ See *Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, order on reh'g, 61 FERC ¶ 61,089 (1992) ("*Central Hudson*"). Factors that will generally support a waiver of prior notice include: (1) uncontested filings that do not change rates; (2) filings that reduce rates and charges; and (3) filings that increase rates as prescribed by a previously accepted contract or settlement on file with the FERC.

Comments on the Proposed Policy Statement were due on or before June 18, 2020 and were filed by the IRC, AEE, APPA, AWEA/SEIA, EEI, EPSA, Indicated Generators,¹¹⁸ INGAA, Kansas Electric Power Coop. (“KEPC”), NGA, NGS, NRECA, Public Citizen, Sunflower Electric Power, and TAPS. Reply comments were filed by APPA, Joint Trade Associations,¹¹⁹ KEPC, and the Sustainable FERC Project. The proposed Policy Statement is pending before the FERC.

- **FERC’s ROE Policy for Natural Gas and Oil Pipelines (PL19-4)**

On May 21, 2020, the FERC issued a Policy Statement that applies to natural gas and oil pipelines, with certain exceptions to account for the statutory, operational, organizational and competitive differences among the electric, natural gas and oil pipeline industries, the FERC’s ROE methodology adopted in *Opinion No. 569-A*.¹²⁰ Specifically, the FERC revised its policy and will determine natural gas and oil pipeline ROEs by averaging the results of the DCF and CAPM, but will not use the risk premium model discussed in *Opinion 569/569-A* (“Risk Premium”).¹²¹ In addition, the FERC clarified its policies governing the formation of proxy groups and the treatment of outliers in proceedings addressing natural gas and oil pipeline ROEs. Finally, the FERC encouraged oil pipelines to file revised FERC Form No. 6, page 700s for 2019 reflecting the revised ROE policy. This Policy Statement became effective May 27, 2020.¹²² On July 7, the FERC issued a notice that pipelines choosing to file updated FERC Form No. 6, page 700 data consistent with the ROE Policy Statement should file such data on or before July 21, 2020.

Complainant-Aligned Parties¹²³ answered the New England TO’s May 10 supplemental comments. On June 15, 2020, Joint Parties¹²⁴ submitted supplemental comments arguing that the FERC should use the midpoint, rather than the median, as the measure of central tendency for public utilities that file individually to establish a ROE. Joint Parties’ comments were opposed by Six Cities.¹²⁵ WIRES submitted supplemental comments on June 18, 2020 requesting that the FERC take further action in this proceeding to “resolve the uncertainty surrounding its base ROE methodology and establish a policy consistent with the recommendations made in these comments” (recommending a framework that employs all four of the previously proposed ROE models, including the Expected Earnings model, along with certain modifications, to ensure that ROEs attract capital investment in needed transmission infrastructure). On June 24, EEI and WIRES requested the FERC issue a NOI regarding the FERC’s policy for determining base ROE applicable to the electric industry as a whole. Six Cities answered Joint Parties on June 30. APPA answered EEI and WIRES’ June 24 motion.

¹¹⁸ “Indicated Generators” are Vistra, NRG, FirstLight, Cogentrix, and LS Power.

¹¹⁹ “Joint Trade Associations” are AEE, AWEA, EEI, EPSA, INGAA, NGS, NRECA and SEIA.

¹²⁰ *Inquiry Regarding the Commission’s Policy for Determining Return on Equity*, 171 FERC ¶ 61,155 (May 21, 2020) (“*Natural Gas and Oil Pipeline ROE Policy Statement*”).

¹²¹ As previously reported, the FERC issued a notice of inquiry on March 21, 2019 seeking information and views to help the FERC explore whether, and if so how, it should modify its policies concerning the determination of ROE to be used in designing jurisdictional rates charged by public utilities.¹²¹ The FERC also sought comment on whether any changes to its policies concerning public utility ROEs should be applied to interstate natural gas and oil pipelines. This NOI followed *Emera Maine*, which reversed *Opinion 531*, and seeks to engage interests beyond those represented in the *Emera Maine* proceeding (see EL11-66 *et al.* in Section I above).

¹²² The *Natural Gas and Oil Pipeline ROE Policy Statement* was published *Fed. Reg.* on May 27, 2020 (Vol. 85, No. 102) pp. 31,760-31,773.

¹²³ For this purpose, “Complainant-Aligned Parties” are: Connecticut Public Utilities Regulatory Authority, Connecticut Office of the Attorney General, Connecticut Department of Energy and Environmental Protection, Connecticut Office of Consumer Counsel, Massachusetts Office of the Attorney General, Massachusetts Department of Public Utilities, Massachusetts Municipal Wholesale Electric Company, and New Hampshire Electric Cooperative.

¹²⁴ “Joint Parties” are: AEP, Avista, Evergy Companies, Entergy Services, Exelon, FirstEnergy, Portland Gen. Elec., PG&E, Corporation, Puget Sound Energy, PacifiCorp, Idaho Power, PSEG, So. Cal. Edison, and San Diego Gas & Elec.

¹²⁵ “Six Cities” are the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California.

- **NOI: Certification of New Interstate Natural Gas Facilities (PL18-1)**

On April 19, 2018, the FERC announced its intention to revisit its approach under its 1999 Certificate Policy Statement to determine whether a proposed jurisdictional natural gas project is or will be required by the present or future public convenience and necessity, as that standard is established in NGA Section 7. Specifically, the NOI¹²⁶ seeks comments from interested parties on four broad issue categories: (1) project need, including whether precedent agreements are still the best demonstration of need; (2) exercise of eminent domain; (3) environmental impact evaluation (including climate change and upstream and downstream greenhouse gas emissions); and (4) the efficiency and effectiveness of the FERC certificate process. Pursuant to a May 23 order extending the comment deadline by 30 days,¹²⁷ comments were due on or before July 25, 2018. Literally thousands of individual and mass-mailed comments were filed. This matter remains pending before the FERC.

XIII. Natural Gas Proceedings

For further information on any of the natural gas proceedings, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com).

- **New England Pipeline Proceedings**

The following New England pipeline projects are currently under construction or before the FERC:

- **Iroquois ExC Project (CP20-48)**

- ▶ 125,000 Dth/d of incremental firm transportation service to ConEd and KeySpan by building and operating new natural gas compression and cooling facilities at the sites of four existing Iroquois compressor stations in Connecticut (Brookfield and Milford) and New York (Athens and Dover)
 - ▶ Three-year construction project; service request by November 1, 2023
 - ▶ February 2, 2020 application for a certificate of public convenience and necessity pending; Iroquois requests on Jan 26, 2021 that the FERC act promptly and issue the certificate

- **Non-New England Pipeline Proceedings**

The following pipeline projects could affect ongoing pipeline proceedings in New England and elsewhere:

- **Northern Access Project (CP15-115)**

- ▶ The New York State Department of Environmental Conservation (“NY DEC”) and the Sierra Club requested rehearing of the *Northern Access Certificate Rehearing Order* on August 14 and September 5, 2018, respectively. On August 29, National Fuel Gas Supply Corporation and Empire Pipeline (“Applicants”) answered the NY DEC’s August 14 rehearing request and request for stay. On April 2, 2019, the FERC denied the NY DEC and Sierra Club requests for rehearing.¹²⁸ Those orders have been challenged on appeal to the US Court of Appeals for the Second Circuit (19-1610).
 - ▶ As previously reported, the August 6, 2018 *Northern Access Certificate Rehearing Order* dismissed or denied the requests for rehearing of the *Northern Access Certificate Order*.¹²⁹ Further, in an interesting twist, the FERC found that a December 5, 2017 “Renewed Motion for Expedited Action” filed by National Fuel Gas Supply Corporation and Empire

¹²⁶ The NOI was published in the *Fed. Reg.* on Apr. 26, 2018 (Vol. 83, No. 80) pp. 18,020-18,032.

¹²⁷ *Certification of New Interstate Natural Gas Facilities*, 163 FERC ¶ 61,138 (May 23, 2018).

¹²⁸ *Nat’l Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 167 FERC ¶ 61,007 (Apr. 2, 2019).

¹²⁹ *Nat’l Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 164 FERC ¶ 61,084 (Aug. 6, 2018) (“*Northern Access Rehearing & Waiver Determination Order*”), *reh’g denied*, 167 FERC ¶ 61,007 (Apr. 2, 2019).

Pipeline, Inc. (the “Companies”), in which the Companies asserted a separate basis for their claim that the NY DEC waived its authority under section 401 of the Clean Water Act (“CWA”) to issue or deny a water quality certification for the Northern Access Project, served as a motion requesting a waiver determination by the FERC,¹³⁰ and proceeded to find that the NY DEC was obligated to act on the application within one year, failed to do so, and so waived its authority under section 401 of the CWA.

- ▶ The FERC authorized the Companies to construct and operate pipeline, compression, and ancillary facilities in McKean County, Pennsylvania, and Allegany, Cattaraugus, Erie, and Niagara Counties, New York (“Northern Access Project”) in an order issued February 3, 2017.¹³¹ The Allegheny Defense Project and Sierra Club (collectively, “Allegheny”) requested rehearing of the *Northern Access Certificate Order*.
- ▶ Despite the FERC’s *Northern Access Certificate Order*, the project remained halted pending the outcome of National Fuel’s fight with the NY DEC’s April denial of a Clean Water Act permit. NY DEC found National Fuel’s application for a water quality certification under Section 401 of the Clean Water Act, as well as for stream and wetlands disturbance permits, failed to comply with water regulations aimed at protecting wetlands and wildlife and that the pipeline failed to explore construction alternatives. National Fuel appealed the NY DEC’s decision to the 2nd Circuit on the grounds that the denial was improper.¹³² On February 2, 2019, the 2nd Circuit vacated the decision of the NY DEC and remanded the case with instructions for the NY DEC to more clearly articulate its basis for the denial and how that basis is connected to information in the existing administrative record. The matter is again before the NY DEC.
- ▶ On November 26, 2018, the Applicants filed a request at FERC for a 3-year extension of time, until February 3, 2022, to complete construction and to place the certificated facilities into service. The Applicants cited the fact that they “do not anticipate commencement of Project construction until early 2021 due to New York’s continued legal actions and to time lines required for procurement of necessary pipe and compressor facility materials.” The extension request was granted on January 31, 2019.
- ▶ On August 8, 2019, the NY DEC again denied Applicants request for a Water Quality Certification, and as directed by the Second Circuit,¹³³ provided a “more clearly articulate[d] basis for denial.”
- ▶ On August 27, 2019, Applicants requested an additional order finding on additional grounds that the NY DEC waived its authority over the Northern Access 2016 Project under Section 401 of the CWA, even if the NY DEC and Sierra Club prevail in their currently pending court petitions challenging the basis for the Commission’s Waiver Order.¹³⁴
- ▶ On October 16, 2020, Applicants requested, due to ongoing legal and regulatory delays, an additional 2-year extension of time, until December 1, 2024, to complete construction of the Project and enter service. More than 50 sets of comments on the requested

¹³⁰ The DC Circuit has indicated that project applicants who believe that a state certifying agency has waived its authority under CWA section 401 to act on an application for a water quality certification must present evidence of waiver to the FERC. *Millennium Pipeline Co., L.L.C. v. Seggos*, 860 F.3d 696, 701 (D.C. Cir. 2017).

¹³¹ *Nat’l Fuel Gas Supply Corp.*, 158 FERC ¶ 61,145 (2017) (“*Northern Access Certificate Order*”), *reh’g denied*, 164 FERC ¶ 61,084 (Aug 6, 2018) (“*Northern Access Certificate Rehearing Order*”).

¹³² *Nat’l Fuel Gas Supply Corp. v. NYSDEC et al.* (2d Cir., Case No. 17-1164).

¹³³ Summary Order, *Nat’l Fuel Gas Supply Corp. v. N.Y. State Dep’t of Envtl. Conservation*, Case 17-1164 (2d Cir, issued Feb. 5, 2019).

¹³⁴ See *Sierra Club v. FERC*, No. 19-01618 (2d Cir. filed May 30, 2019); *NYSDEC v. FERC*, No. 19-1610 (2d. Cir. filed May 28, 2019) (consolidated).

extension were filed and on December 1, 2020, the FERC dismissed, without prejudice, Applicants' request for an extension of time,¹³⁵ finding the request premature. The FERC reiterated its encouragement that pipeline applicants requesting extensions "file their requests no more than 120 days before the deadline to complete construction", so that the FERC has the relevant information available to determine whether good cause exists to grant an extension of time and whether the FERC's prior findings remain valid.¹³⁶

- **Natural Gas-Related Enforcement Actions**

Freeport LNG (IN21-7). On January 28, 2021, the FERC approved a Stipulation and Consent Agreement ("Agreement") with Freeport LNG Development L.P. ("Freeport LNG")¹³⁷ that resolved OE's investigation into whether Freeport LNG violated Section 3(e) of the Natural Gas Act ("NGA") (15 U.S.C. § 717b(e) (2012)) and the FERC's Order in *Freeport LNG Dev., L.P.*, 148 FERC ¶ 61,076 (2014) ("*Freeport Order*"). Enforcement determined that Freeport (i) violated NGA Section 3(e) and the *Freeport Order* when its contractor engaged in clearing and stabilization activities on 75, rather than 50, acres as authorized in the *Freeport Order* and (ii) violated the *Freeport Order* when it failed to fully and accurately describe the known violation on its site (providing statements in its Bi-Weekly Construction Reports that were inconsistent with materials gathered as part of an internal investigation). Under the Agreement, in which Freeport LNG neither admits nor denies the alleged violations, Freeport LNG must **pay a \$500,00 civil penalty** to the United States Treasury. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

Tres Palacios (IN21-3). On January 19, 2021, the FERC approved a Stipulation and Consent Agreement ("Agreement") with Tres Palacios LLC ("Tres Palacios")¹³⁸ that resolved OE's investigation into whether Tres Palacios violated Section 7(e) of the NGA related to its failure to timely conduct sonar surveys as required by the FERC's 2007 *Tres Palacios Certificate Order*.¹³⁹ Enforcement determined that sonar surveys required under the *Certificate Order* were not undertaken within the time frame required and Tres Palacios failed to seek an extension of time to comply until faced with an inquiry into its non-compliance. Under the Agreement, in which Tres Palacios neither admits nor denies the alleged violations, Tres Palacios must **pay a \$700,00 civil penalty** to the United States Treasury. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

BP (IN13-15). On December 17, 2020, the FERC issued *Opinion 549-A*,¹⁴⁰ a 159-page decision addressing arguments raised on rehearing requested of *Opinion 549*.¹⁴¹ *Opinion 549-A* modifies the discussion in *Opinion 549*, but reaches the same the result (ultimately requiring BP to pay a **\$20.16 million civil penalty (roughly \$24.4 million with accrued interest) and disgorge \$207,169**). Of note, *Opinion 549-A* denied BP's motion to dismiss this enforcement action as time barred (by the five-year statute of limitations set forth in 28 U.S.C. § 2462), finding BP waived any statute of limitations defense by failing to raise it earlier in this proceeding.¹⁴² *Opinion 549-A* revised

¹³⁵ *National Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 173 FERC ¶ 61,197 (Dec. 1, 2020).

¹³⁶ *Id.* at P 10.

¹³⁷ *Freeport LNG Dev., L.P.*, 174 FERC ¶ 61,055 (Jan. 28, 2021).

¹³⁸ *Tres Palacios LLC*, 174 FERC ¶ 61,060 (Jan. 19, 2021).

¹³⁹ *Tres Palacios Gas Storage LLC*, 120 FERC ¶ 61,253 (2007) ("*Tres Palacios Certificate Order*").

¹⁴⁰ *BP America Inc. et al.*, Opinion No. 549-A, 173 FERC ¶ 61,239 (Dec. 17, 2020) ("*BP Penalties Allegheny Order*").

¹⁴¹ *BP America Inc.*, Opinion No. 549, 156 FERC ¶ 61,031 (July 11, 2016) ("*BP Penalties Order*") (affirming Judge Cintron's Aug. 13, 2015 Initial Decision finding that BP America Inc., BP Corporation North America Inc., BP America Production Company, and BP Energy Company (collectively, "BP") violated Section 1c.1 of the FERC's regulations ("Anti-Manipulation Rule") and NGA Section 4A (*BP America Inc. et al.*, 152 FERC ¶ 63,016 (Aug. 13, 2015) ("*BP Initial Decision*").

¹⁴² *BP Penalties Allegheny Order* at P 1.

Ordering Paragraph (C) to direct the disgorged profits to non-profits that disburse the Low Income Home Energy Assistance Program of Texas funds, rather than to the Texas Department of Housing.¹⁴³

On December 29, BP filed a notice that it intends to appeal *Opinion 549-A* to the Fifth Circuit Court of Appeals and paid the civil penalty amount on December 28, 2020, under protest and with full reservation of rights pending the outcome of judicial review of that Opinion. On January 19, BP filed a notice that it disgorged \$250,295 (\$207,169 principal plus interest), divided equally (\$83,431.67) among the following 3 entities identified in the “2016 Comprehensive Energy Assistance Program Subrecipient List”: Dallas County Dept. of Health and Human Services (serving Dallas); El Paso Community Action, Project Bravo (Serving El Paso); and Panhandle Community Services (serving Armstrong and numerous other counties), again under protest and with full reservation of rights pending the outcome of judicial review of *Opinion 549/549-A*.

Total Gas & Power North America, Inc. et al. (IN12-17). On April 28, 2016, the FERC issued a show cause order¹⁴⁴ in which it directed Total Gas & Power North America, Inc. (“TGPNA”) and its West Desk traders and supervisors, Therese Tran f/k/a Nguyen (“Tran”) and Aaron Hall (collectively, “Respondents”) to show cause why Respondents should not be found to have violated NGA Section 4A and the FERC’s Anti-Manipulation Rule through a scheme to manipulate the price of natural gas at four locations in the southwest United States between June 2009 and June 2012.¹⁴⁵

The FERC also directed TGPNA to show cause why it should not be required to disgorge unjust profits of **\$9.18 million**, plus interest; TGPNA, Tran and Hall to show cause why they should not be assessed civil penalties (TGPNA - **\$213.6 million**; Hall - **\$1 million** (jointly and severally with TGPNA); and Tran - **\$2 million** (jointly and severally with TGPNA)). In addition, the FERC directed TGPNA’s parent company, Total, S.A. (“Total”), and TGPNA’s affiliate, Total Gas & Power, Ltd. (“TGPL”), to show cause why they should not be held liable for TGPNA’s, Hall’s, and Tran’s conduct, and be held jointly and severally liable for their disgorgement and civil penalties based on Total’s and TGPL’s significant control and authority over TGPNA’s daily operations. Respondents filed their answer on July 12, 2016. OE Staff replied to Respondents’ answer on September 23, 2016. Respondents answered OE’s September 23 answer on January 17, 2017, and OE Staff responded to that answer on January 27, 2017. This matter remains pending before the FERC.

XIV. State Proceedings & Federal Legislative Proceedings

- **New England States’ Vision Statement**

In October 2020, the six New England states released their “[Vision Statement](#)”, outlining their vision for “a clean, affordable, and reliable 21st century regional electric grid” and committing to engage in a collaborative and open process, supported by NESCOE, intended to advance the principles discussed in the Vision Statement. As part of that effort, a series of online technical forums to discuss the issues presented in

¹⁴³ *Id.* at P 319.

¹⁴⁴ *Total Gas & Power North America, Inc.*, 155 FERC ¶ 61,105 (Apr. 28, 2016) (“TGPNA Show Cause Order”).

¹⁴⁵ The allegations giving rise to the Total Show Cause Order were laid out in a September 21, 2015 FERC Staff Notice of Alleged Violations which summarized OE’s case against the Respondents. Staff determined that the Respondents violated section 4A of the Natural Gas Act and the Commission’s Anti-Manipulation Rule by devising and executing a scheme to manipulate the price of natural gas in the southwest United States between June 2009 and June 2012. Specifically, Staff alleged that the scheme involved making largely uneconomic trades for physical natural gas during bid-week designed to move indexed market prices in a way that benefited the company’s related positions. Staff alleged that the West Desk implemented the bid-week scheme on at least 38 occasions during the period of interest, and that Tran and Hall each implemented the scheme and supervised and directed other traders in implementing the scheme.

the Vision Statement have been held or announced by certain State Agencies.¹⁴⁶ Thus far, the following on-line technical forums have been held:

Jan 13, 2021	Wholesale Market Reform
Jan 25, 2021	Wholesale Market Reform
Feb 2, 2021	Transmission Planning

Written comments on the topics and discussions addressed in the Wholesale Market Reform forums are due by February 24, 2021 and may be submitted at WholesaleEnergy@NewEnglandEnergyVision.com. Written comments will be posted publicly on this website after this deadline.

A technical forum on **Governance Reform**, which is intended as a means for State Agencies to gather information for developing a more consumer- and state-responsive governance framework in ISO-NE, is to be held **February 25, 2021**. To register, go to: https://ctdeep.zoom.us/webinar/register/WN_js41-0tyRPa3IsN1hC1I9A.

Draft notices, proposed agendas, and additional information on these sessions are available on the New England States' Vision Statement website (<https://newenglandenergyvision.com/>). Specific details are supposed to follow in subsequent announcements.

- **Executive Order on Securing the United States Bulk-Power System**

On May 1, 2020, President Trump signed an Executive Order that authorizes U.S. Secretary of Energy Dan Brouillette to work with the Cabinet and energy industry to secure America's BPS. The Executive Order prohibits Federal agencies and U.S. persons from "acquiring, transferring, or installing BPS equipment in which any foreign country or foreign national has any interest and the transaction poses an unacceptable risk to national security or the security and safety of American citizens. Evolving threats facing our critical infrastructure have only served to highlight the supply chain risks faced by all sectors, including energy, and the need to ensure the availability of secure components from American companies and other trusted sources." The Secretary of Energy is accordingly authorized to (i) establish and publish criteria for recognizing particular equipment and vendors as "pre-qualified" (pre-qualified vendor list); (ii) identify any now-prohibited equipment already in use, allowing the government to develop strategies and work with asset owners to identify, isolate, monitor, and replace this equipment as appropriate; and (iii) work closely with the Departments of Commerce, Defense, Homeland Security, Interior; the Director of National Intelligence; and other appropriate Federal agencies to carry out the authorities and responsibilities outlined in the Executive Order. A Task Force led by Secretary Brouillette will develop energy infrastructure procurement policies to ensure national security considerations are fully integrated into government energy security and cybersecurity policymaking. The Task Force will consult with the energy industry through the Electricity and Oil and Natural Gas Subsector Coordinating Councils to further its efforts on securing the BPS. A copy of the Executive Order may be accessed [here](#).

XV. Federal Courts

The following are matters of interest, including petitions for review of FERC decisions in NEPOOL-related proceedings, that are currently pending before the federal courts (unless otherwise noted, the cases are before the U.S. Court of Appeals for the District of Columbia Circuit). An "***" following the Case No. indicates that NEPOOL has intervened or is a litigant in the appeal. The remaining matters are appeals as to which NEPOOL has

¹⁴⁶ "State Agencies" jointly announcing the technical forums are identified as: CT DEEP, ME Governor's Energy Office, MA Executive Office of Energy and Environmental Affairs, NH PUC, RI Office of Energy Resources, and VT DPS.

no organizational interest but that may be of interest to Participants. For further information on any of these proceedings, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Exelon PP-10 Complaint (20-1509)**
Underlying FERC Proceeding: EL20-52¹⁴⁷
Petitioner: Exelon

On December 18, 2020, Constellation Mystic Power, LLC (“Exelon”) petitioned the DC Circuit Court of Appeals for review of the FERC’s orders denying Exelon’s PP-10 Complaint and the denial of its request for rehearing of the *Order Denying PP-10 Complaint*.¹⁴⁸ Appearances were due January 22, 2021. ISO-NE, NESCOE, CT PURA, MMWEC, and Vistra/Dynegy moved to intervene. On January 21, Exelon filed a docketing statement and statement of issues to be raised. On January 22, the FERC moved for a 60-day interval between Exelon’s Opening Brief and its Answering Brief.

- **ISO-NE Implementation of Order 1000 Exemptions for Immediate Need Reliability Projects (20-1422)**
Underlying FERC Proceeding: EL19-90¹⁴⁹
Petitioner: LS Power

On October 16, 2020, LSP Transmission Holdings II, LLC (“LS Power”) petitioned the DC Circuit Court of Appeals for review of the FERC’s orders addressing ISO-NE’s implementation of the Order 1000 exemptions for immediate need reliability projects. Since the last Report, and after the Clerk granted extensions of time to file procedural and dispositive motions, the FERC on December 10, 2020 requested at least 60 days between the filing of LS Power’s opening brief and the FERC’s brief in response, and on December 28, 2020, filed a certified index to the record. On December 29, 2020, the Court granted the motions to intervene by Avangrid and MMWEC.

On January 26, 2021, the Court issued an amended briefing schedule to apply in this case: Petitioner’s Brief due March 8, 2021; Intervenor’s in Support of Petitioner’s Brief, March 15, 2021; FERC’s brief, May 14, 2021; Intervenor’s in Support of FERC, June 21, 2021; Petitioner’s Reply Brief, June 11, 2021; Intervenor’s in Support of Petitioner Reply Brief, June 11, 2021; Deferred Appendix, June 18, 2021; and Final Briefs July 2, 2021.

- **CIP IROL Cost Recovery Rules (20-1389)**
Underlying FERC Proceeding: ER20-739¹⁵⁰
Petitioner: Cogentrix, Vistra

On September 25, 2020, Cogentrix and Vistra petitioned the DC Circuit Court of Appeals for review of the FERC’s orders allowing for recovery of expenditures to comply with the IROL-CIP requirements, but only those costs incurred on or after the effective date of the relevant individual FPA section 205 filing, including

¹⁴⁷ *Constellation Mystic Power, LLC v. ISO New England Inc.*, 173 FERC ¶ 62,034 (Oct. 19, 2020); *Constellation Mystic Power, LLC v. ISO New England Inc.*, 172 FERC ¶ 61,144 (Aug. 17, 2020) (“*Order Denying PP-10 Complaint*”), *reh’g denied by operation of law*, 173 FERC ¶ 62,034 (Oct. 19, 2020).

¹⁴⁸ The PP-10 Complaint requested that ISO-NE be prohibited from (i) implementing changes to the Planning Procedure to Support the Forward Capacity Market (“PP-10”), which Exelon asserted would significantly affect the rates, terms and conditions of jurisdictional services by dramatically changing the way in which ISO-NE conducts its annual transmission security review of capacity auction retirement bids and the Network Model upon which the capacity auction is based, and (ii) violating the requirements of its Tariff for *Order 1000* competitive transmission procurements.

¹⁴⁹ *ISO New England Inc.*, 171 FERC ¶ 61,211 (June 18, 2020) (“*Order Terminating Proceeding*”) (finding (i) “insufficient evidence in the record to find under FPA section 206 that [ISO-NE’s] implementation of the exemption for immediate need reliability projects is unjust, unreasonable, or unduly discriminatory or preferential; (ii) “insufficient evidence in the record to find that ISO-NE implemented the immediate need reliability project exemption in a manner that is inconsistent with or more expansive than [the FERC] directed”; and (iii) that ISO-NE complies with the five criteria established for the immediate need reliability project exemption); and *ISO New England Inc.*, 172 FERC ¶ 61,293 (Sep. 29, 2020) (“*Order 1000 Exemptions Allegheny Order*”) (addressing arguments raised by request for rehearing denied by operation of law, modifying discussion in *Order Terminating Proceeding*, but reaching same result).

¹⁵⁰ *ISO New England Inc.*, 171 FERC ¶ 61,160 (May 26, 2020) (“*CIP IROL Cost Recovery Order*”) and *ISO New England Inc.*, 172 FERC ¶ 61,251 (Sep. 17, 2020) (“*CIP IROL Allegheny Order*”, and together with the CIP IROL Cost Recover Order, the “*CIP IROL Orders*”).

undepreciated costs of any such past capital expenditures to comply with the IROL-CIP requirements. On December 22, 2020, the Court adopted a proposed *revised* briefing schedule that adds roughly 45 days to each procedural deadline previously established. Revised deadlines now include the following re: Petitioners' Brief (March 1, 2021); Respondent Brief of FERC (April 30, 2021); Intervenor for Respondent Brief (June 1, 2021); Petitioners' Reply Briefs (June 28, 2021); Deferred Appendix (July 16, 2021); and Final Briefs (July 26, 2021).

- **Mystic 8/9 Cost of Service Agreement (20-1343; 20-1361, 20-1362; 20-1365, 20-1368)(consolidated)**
Underlying FERC Proceeding: EL18-1639¹⁵¹
Petitioners: Mystic (1343), NESCOE (1361), MA AG (1362), CT Parties (1365, 1368)

Mystic, NESCOE, MA AG, and CT Parties separately petitioned the DC Circuit Court of Appeals for review of the FERC's orders addressing the COS Agreement among Mystic, ExGen and ISO-NE.¹⁵² The cases have been consolidated into Case No. 20-1343. Appearances were filed October 8, 2020. On October 8 (in the case of Mystic) and October 16 (in the case of the remaining Petitioners), statements of issues and docketing statements were filed. Also on October 16, the FERC filed an unopposed motion to hold this appeal in abeyance until the earlier of December 15, 2020 (60 days) or the date of the issuance by the FERC of a further order on rehearing. In addition, the FERC asked for 21 days from that day for the parties to file motions to govern further proceedings. On November 4, 2020, the Court granted the FERC's motion and ordered that the consolidated cases be held in abeyance pending further order of the Court. On January 22, 2021, the Court, stating that these consolidated cases remain in abeyance pending further order of the court, directed the parties to file motions to govern future proceedings by February 26, 2021.

- **CASPR (20-1333, 20-1331) (consolidated)**
Underlying FERC Proceeding: ER18-619¹⁵³
Petitioners: Sierra Club, NRDC, RENEW Northeast, and CLF

On August 31, 2020, the Sierra Club, NRDC, RENEW Northeast, and CLF petitioned the DC Circuit Court of Appeals for review of the FERC's order accepting ISO-NE's CASPR revisions (which, under *Allegheny*, is ripe for review). On October 2, 2020, appearances, docketing statements, a statement of issues to be raised, and a statement of intent to utilize deferred joint appendix were filed. On October 19, 2020, the FERC moved to dismiss the case for a lack of jurisdiction (arguing that Petitioners missed their opportunity to timely file their Petition for review in 2018, and filing within 60 days of *Allegheny* did not make their Petition timely). Alternatively, the FERC asked that the case be held in abeyance for 60 days pending issuance of a further FERC order on this matter. On October 29, Petitioners opposed the FERC's motion. On November 5, 2020, the FERC filed a reply, indicated that an order on rehearing would be issued imminently and suggested that, if the Court declines to dismiss the petition, it should be held in abeyance until the Commission issues an order on rehearing. As noted above, the FERC issued the *CASPR Allegheny Order* on November 19, modifying the discussion in the *CASPR Order*, but reaching the same the result. The Sierra Club, NRDC and CLF also requested rehearing of the November 19 order.

Since the last Report, the Court, on January 12, 2021, dismissed as moot the FERC's October 19 motion to hold this proceeding in abeyance and ordered that the motion to dismiss be referred to the merits panel (Judges Pillard, Katsas and Walker) and addressed by the parties in their briefs. On January 25 and 26, CT Parties and MMWEC and NHEC filed statements of issues and notices that they intend to participate in support of Petitioners. On January 27, the Court ordered the parties to submit by February 26, 2021, proposed formats for the briefing of these cases.

¹⁵¹ July 2018 Order; July 2018 Rehearing Order; Dec 2018 Order; Dec 2018 Rehearing Order; Jul 17 Compliance Order.

¹⁵² The COS Agreement is to provide compensation for the continued operation of the Mystic 8 & 9 units from June 1, 2022 through May 31, 2024.

¹⁵³ *ISO New England Inc.*, 162 FERC ¶ 61,205 (Mar. 9, 2018) ("*CASPR Order*").

- **Opinion 531-A Compliance Filing Undo (20-1329)**

Underlying FERC Proceeding: ER15-414¹⁵⁴

Petitioners: TOs' (CMP et al.)

On August 28, 2020, the TOs¹⁵⁵ petitioned the DC Circuit Court of Appeals for review of the FERC's October 6, 2017 order rejecting the TOs' filing that sought to reinstate their transmission rates to those in place prior to the FERC's orders later vacated by the DC Circuit's *Emera Maine*¹⁵⁶ decision. On September 22, 2020, the FERC submitted an unopposed motion to hold this proceeding in abeyance for four months to allow for the Commission to "a future order on petitioners' request for rehearing of the order challenged in this appeal, and the rate proceeding in which the challenged order was issued remains ongoing before the Commission." On October 2, 2020, the Court granted the FERC's motion, and directed the parties to file motions to govern future proceedings in this case by February 2, 2021. On January 25, 2021, the FERC requested that the Court continue to hold this petition for review in abeyance for an additional three months, with parties to file motions to govern future proceedings at the end of that period. The FERC requested continued abeyance because of its intention to issue a future order on petitioners' request for rehearing of the order challenged in this appeal, and the rate proceeding in which the challenged order was issued remains ongoing before the FERC. Petitioners consented to the requested abeyance.

- **2013/14 Winter Reliability Program Order on Compliance and Remand (20-1289, 20-1366) (consol.)**

Underlying FERC Proceeding: ER13-2266¹⁵⁷

Petitioner: TransCanada

On July 30, 2020, TransCanada Power Marketing ("Petitioner" or "TransCanada") again petitioned the DC Circuit Court of Appeals for review of the FERC's action on the 2013/2014 Winter Reliability Program, this time in the FERC's April 1, 2020 *2013/14 Winter Reliability Program Order on Compliance and Remand*.¹⁵⁸ NEPGA intervened on October 15, 2020 (and its intervention granted on October 28). On October 16, TransCanada filed a docketing statement and statement of issues. On October 29, the FERC filed a certified index to the record and an unopposed motion for a 60-day briefing period. On December 2, 2020, the Court granted the FERC's October 29 motion. On January 11, 2021, TransCanada submitted its initial brief. Respondent Brief of FERC is due March 12, 2021; Intervenor's Joint Brief in Support of Respondent, March 19, 2021; Petitioners' Reply Briefs, April 9, 2021; the Deferred Appendix, April 16, 2021; and Final Briefs, April 30, 2021.

- **ISO-NE's Inventoried Energy Program (Chapter 2B) Proposal (19-1224***; 19-1247; 19-1252; 19-1253)(consolidated); Underlying FERC Proceeding: ER19-1428¹⁵⁹**

Petitioners: ENECOS (Belmont et al.) (19-1224); MA AG (19-1247); NH PUC/NH OCA (19-1252); Sierra Club/UCS (19-1253)

As previously reported, at the unopposed request of the FERC, the Court issued an order suspending the previous briefing schedule and remanding the record back to the FERC. Subsequently, the FERC issued its *IEP Remand Order* (June 18, 2020) and its Notice of Denial by Operation of Law of the requests for rehearing of its *IEP Remand Order* (August 20, 2020). As previously reported, each of the Petitioners filed amended petitions for

¹⁵⁴ *ISO New England Inc.*, 161 FERC ¶ 61,031 (Oct. 6, 2017) ("Order Rejecting Filing").

¹⁵⁵ The "TOs" are CMP; Eversource Energy Service Co., on behalf of its affiliates CL&P, NSTAR and PSNH; National Grid; New Hampshire Transmission; UI; Unil and Fitchburg; VTransco; and Versant Power.

¹⁵⁶ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) ("*Emera Maine*").

¹⁵⁷ 171 FERC ¶ 61,003 (Apr. 1, 2020) ("*2013/14 Winter Reliability Program Order on Compliance and Remand*") (accepting ISO-NE's January 23, 2017 compliance filing, finding that the bid results from the 2013/14 Winter Reliability Program were just and reasonable, and providing for this finding the further reasoning requested by the DC Circuit in *TransCanada Power Mktg. Ltd. v. FERC*, 811 F.3d 1 (DC Cir. 2015) ("*TransCanada*").)

¹⁵⁸ In *TransCanada*, the DC Circuit granted TransCanada's prior petition in part, and directed the FERC to either better justify its determination or revise its disposition to ensure that the rates under the Program are just and reasonable. *TransCanada* at 1.

¹⁵⁹ 162 FERC ¶ 61,127 (Feb. 15, 2018) ("*Order 841*"); 167 FERC ¶ 61,154 (May 16, 2019) ("*Order 841-A*").

review in the consolidated proceeding in order to bring the FERC's *IEP Remand Order* and the post-remand FERC record before the DC Circuit. On November 10, the Court ordered that the cases be removed from abeyance and set a revised briefing schedule that called for the following: Petitioners' Opening Briefs (December 11, 2020); Respondent Brief of FERC (February 9, 2021); Intervenor's Joint Brief in Support of Respondent (February 16, 2021); Petitioners' Reply Briefs (March 30, 2021); Deferred Appendix (April 20, 2021); and Final Briefs (May 4, 2021). Since the last Report, Opening Briefs from Petitioners were filed on December 11, 2020. Next up will be briefs from FERC and intervenors in support of FERC.

Other Federal Court Activity of Interest

- **Order 872 (20-72788, 21-70113; 20-73375) (9th Cir.)**

Underlying FERC Proceeding: RM19-15¹⁶⁰

Petitioners: SEIA,

On September 17, 2020, SEIA petitioned the 9th Circuit Court of Appeals for review of *Order 872*.¹⁶¹ On October 9, the FERC filed an unopposed motion for the Court to hold this appeal in abeyance, suspend filing of the certified index to the record, and issue a new briefing schedule after January 4, 2021. The abeyance will permit the FERC to address the pending rehearing requests in a future order. On October 26, 2020, the Court granted the FERC's motion.

On January 29, 2021, SEIA requested that this case be consolidated with the two others, and that the abeyance period be extended for an additional two weeks, until February 12, 2021, to give the parties additional time to coordinate and develop a unified, efficient briefing schedule.

- **PennEast Project (18-1128)**

Underlying FERC Proceeding: CP15-558¹⁶²

Petitioners: NJ DEP, DE and Raritan Canal Commission, NJ Div. of Rate Counsel

Abeyance continues of the appeal before the DC Circuit of the FERC's orders granting certificates of public convenience and necessity to PennEast Pipeline Company, LLC ("PennEast")¹⁶³ for the construction and operation of a new 116-mile natural gas pipeline from Luzerne County, Pennsylvania, to Mercer County, New Jersey, along with three laterals extending off the mainline, a compression station, and appurtenant above ground facilities ("PennEast Project"). The cases are being held in abeyance "pending final disposition of any post-dispositional proceedings [] before the United States Supreme Court resulting from the Third Circuit's decision in No. 19-1191 (In re: PennEast Pipeline Company, LLC (3rd Cir. Sep. 10, 2019)), or other action that resolves the obstacle PennEast poses". That decision held that the Eleventh Amendment barred condemnation cases brought by PennEast in federal district court in New Jersey to gain access to property owned by the State or its agencies, thus calling into question the viability of PennEast's proposed project route, and the certificates issued in the underlying case. Until the Third Circuit case is resolved, which is in the midst of proceedings before the Supreme Court, the DC Circuit will not take up this case. The last Joint Status Report was filed on December 23, 2020, noting developments since the September 28, 2020 Status Report, and reporting that none of the events

¹⁶⁰ *Transcontinental Gas Pipe Line Co., LLC*, 159 FERC ¶ 62,181 (Feb. 3, 2017); *Transcontinental Gas Pipe Line Co., LLC*, 161 FERC ¶ 61,250 (Dec. 6, 2017).

¹⁶¹ *Order 872* approved pricing and eligibility revisions to the FERC's long-standing regulations implementing sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), including: state flexibility in setting QF rates; a decrease (to 5 MW) to the threshold for a rebuttable presumption of access to nondiscriminatory, competitive markets; updates to the "One-Mile Rule"; clarifications to when a QF establishes its entitlement to a purchase obligation; and provision for certification challenges.

¹⁶² *PennEast Pipeline Co., LLC*, 162 FERC ¶ 61,053 (Jan. 19, 2018), *reh'g denied*, 163 FERC ¶ 61,159 (May 30, 2018).

¹⁶³ PennEast is a joint venture owned by Red Oak Enterprise Holdings, Inc., a subsidiary of AGL Resources Inc.; NJR Pipeline Company, a subsidiary of New Jersey Resources; SJI Midstream, LLC, a subsidiary of South Jersey Industries; UGI PennEast, LLC, a subsidiary of UGI Energy Services, LLC; and Spectra Energy Partners, LP.

“constitute any of the conditions that [the DC Circuit] enumerated in its October 1, 2019 Order as triggering an obligation to file a motion governing future proceedings.”

- **Opinion 569/569-A: FERC’s Base ROE Methodology (16-1325, 20-1182, 20-1240, 20-1241, 20-1248, 20-1251, 20-1267, 20-1513)**

Underlying FERC Proceeding: EL14-12; EL15-45¹⁶⁴

Petitioners: MISO TOs, Transource Energy, Dec 23 Petitioners et al.

The MISO Transmission Owners (TOs), Transource and “Dec 23 Petitioners”,¹⁶⁵ among others, have appealed *Opinion 569/569-A*. The MISO TOs’ case has been consolidated with previous appeals that had been held in abeyance, with the lead case number assigned as 16-1325. Since the last Report, the FERC filed a certified Index to the Record (December 3), the Parties filed a joint unopposed briefing schedule (December 23) and First Energy moved to voluntarily dismiss the cases it initiated (20-1227 & 20-1275), which the Court granted on January 5, 2021. The Court also consolidated case no. 20-1513 (filed by Dec 23 Petitioners) with the lead case (16-1325).

On February 2, 2021, the Court issued a revised briefing format and schedule to apply in these consolidated cases: Statement of issues due February 8, 2021; Petitioners’ Briefs, March 10, 2021; Intervenor in Support of Petitioners Briefs and Amici Curiae Briefs, March 24, 2021; FERC’s brief, June 8, 2021; Intervenor in Support of FERC, June 22, 2021; Petitioners Reply Briefs, July 8, 2021; Intervenor in Support of Petitioners Reply Briefs, July 22, 2021; Joint Deferred Appendix, August 6, 2021; and Final Briefs, August 19, 2021.

¹⁶⁴ *Transcontinental Gas Pipe Line Co., LLC*, 159 FERC ¶ 62,181 (Feb. 3, 2017); *Transcontinental Gas Pipe Line Co., LLC*, 161 FERC ¶ 61,250 (Dec. 6, 2017).

¹⁶⁵ “Dec 23 Petitioners” are: Assoc. of Bus. Advocating Tariff Equity; Coalition of MISO Transmission Customers: IL Industrial Energy Consumers; IN Industrial Energy Consumers, Inc.; MN Large Industrial Group; WI Industrial Energy Group; AMP; Cooperative Energy; Hoosier Energy Rural Elec. Coop.; MS Public Service Comm.; MO Public Service Comm.; MO Joint Municipal Electric Utility Comm.; Organization of MISO States, Inc.; Southwestern Elec. Coop., Inc.; and Wabash Valley Power Assoc.

INDEX

Status Report of Current Regulatory and Legal Proceedings as of February 2, 2021

COVID-19

Blanket Waiver of ISO/RTO Tariff In-Person Meeting & Notarization Requirements	(EL20-37).....	2
Extension of Filing Deadlines	(AD20-11).....	2
Jul 8-9 Tech Conf: Impacts of COVID-19 on the Energy Industry.....	(AD20-17).....	1
Remote ALJ Hearings	(AD20-12).....	1

I. Complaints/Section 206 Proceedings

Base ROE Complaints I-IV	(EL11-66, EL13-33; EL14-86; EL16-64)	5
New England Generators' Exelon Complaint.....	(EL20-67).....	4
NECEC/Avangrid Complaint Against NextEra/Seabrook.....	(EL21-6).....	3
NEPGA Net CONE Complaint	(EL21-26).....	2
NextEra Energy Seabrook Declar. Order Petition: NECEC Elective Upgrade Costs Dispute ..	(EL21-3).....	3
RNS/LNS Rates and Rate Protocols Settlement Agreement II Compliance Filing.....	(ER20-2054; EL16-19-002)	4

II. Rate, ICR, FCA, Cost Recovery Filings

Amended and Restated IRH Support and Use Agreements	(ER21-712)	8
Bucksport CIP IROL (Schedule 17) Cost Recovery Filing	(ER21-957)	7
Dynegy CIP IROL (Schedule 17) Cost Recovery Filing.....	(ER21-774)	7
FCA15 Qualification Informational Filing.....	(ER21-372)	9
ICR-Related Values and HQICCs – Annual Reconfiguration Auctions	(ER21-496)	9
ICR-Related Values and HQICCs – FCA1 (2024-25) Capacity Commitment Period	(ER21-371)	10
MPD OATT 2019 Annual Informational Filing Settlement Agreement	(ER15-1429-014)	11
Mystic 8/9 Cost of Service Agreement	(ER18-1639)	10
Orders 864/864-A (Public Util. Trans. ADIT Rate Changes): New England Compliance Filings (various).....		23
RNS/LNS Rates and Rate Protocols Settlement Agreement II	(ER20-2054; EL16-19-002)	4
Stonepeak Kestrel CIP IROL (Schedule 17) Cost Recovery Filing	(ER21-956)	8

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

CASPR	(ER18-619)	13
EER Exemption from PFP Settlement	(ER21-943)	12
EER FCM Qualification Modifications	(ER21-640)	13
Elimination of Price Lock and Zero-Price Offer Rule for New Entrants Starting in FCA16....	(ER21-1010)	11
New DDBT Methodology	(ER21-782)	12
Order 841 Compliance Filings (Electric Storage in RTO/ISO Markets)	(ER19-470)	13
Updated CONE, Net Cone and PPR Values (eff. FCA16)	(ER21-787)	12

IV. OATT Amendments/Coordination Agreements

Order 676-I Compliance Filing	(ER21-946)	14
RNS/LNS Rates and Rate Protocols Settlement Agreement II Compliance Filing.....	(ER20-2054; EL16-19-002)	4

V. Financial Assurance/Billing Policy Amendments

EE Exemption from PFP Settlement	(ER21-943)	12
--	------------------	----

FAP Info Disclosure/KYC Requirements	(ER21-816)	14
--	------------------	----

VI. Schedule 20/21/22/23 Updates

Schedule 20A-VP: Versant Power-Vitol Phase I/II HVDC-TF Service Agreement	(ER21-827)	14
Schedule 21-GMP Annual True Up Calculation Forecast Info Report	(ER12-2304)	15
Schedule 21-VP: 2019 Annual Update Settlement Agreement	(ER15-1434-004)	14
Schedule 21-VP: Bangor Hydro/Maine Public Service Merger-Related Costs Recovery	(ER15-1434-001 et al.)	15

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activity to Report

VIII. Regional Reports

LFTR Implementation: 49th Quarterly Status Report	(ER07-476; RM06-08)	16
Opinion 531-A Local Refund Report: FG&E	(EL11-66)	15
Opinions 531-A/531-B Local Refund Reports	(EL11-66)	16
Opinions 531-A/531-B Regional Refund Reports	(EL11-66)	16
Transmission Projects Annual Informational Filing	(ER13-193)	16

IX. Membership Filings

December 2020 Membership Filing	(ER21-499)	17
February 2021 Membership Filing	(ER21-1008)	16
Invenia Additional Conditions Informational Filing	(ER20-2001)	17
January 2021 Membership Filing	(ER21-769)	16
Suspension Notice – NTE Connecticut, LLC	(not docketed)	17
Suspension Notice – Verde Group, LLC	(not docketed)	17

X. Misc. - ERO Rules, Filings; Reliability Standards

Amended and Restated NERC Bylaws	(RR21-1)	20
CIP Standards Development: Informational Filings on Virtualization and Cloud Computing Services Projects	(RD20-2)	18
Joint Staff White Papers on Notices of Penalty for Violations of CIP Standards	(AD19-18)	17
NERC Annual Report on FFT & Compliance Exception Programs	(RC11-6-011)	18
NOI: Enhancements to CIP Standards	(RM20-12)	19
NOI: Virtualization and Cloud Computing Services in BES Operations	(RM20-8)	19
Order 873 - Retirement of Rel. Standard Reqs. (Standards Efficiency Review)	(RM19-17; RM19-16)	19
Revised Reliability Standard: CIP-002-6	(RM20-17)	18
Revised Reliability Standards: CIP-013-2, CIP-005-7, CIP-010-4	(RD21-2)	18

XI. Misc. Regional Interest

203 Application: CMP/NECEC	(EC20-24)	21
203 Application: CPV Towantic	(EC21-16)	20
203 Application: Millennium Power Partners	(EC20-103)	20
203 Application: NRG/Direct	(EC20-96)	21
D&E Agreement Cancellation: NSTAR / SEMASS	(ER21-676)	22
FERC Enforcement Action: Algonquin Power Windsor Locks	(IN21-2)	24
FERC Enforcement Action: NRG Power Marketing	(IN20-4)	24
Interim Distribution Wheeling Agreement: Unitil / Briar Hydro	(ER21-759)	22
LGIA Cancellation: Mt. Tom	(ER21-845)	21
LGIA: CMP/ReEnergy Stratton	(ER21-769)	22

LGIA: NSTAR / MMWEC (Stony Brook)	(ER21-777)	21
NECEC TSAs: NECEC Transmission Notice of Succession and CMP Notice of Cancellation ..	(ER21-12 et al.)	22
Orders 864/864-A (Public Util. Trans. ADIT Rate Changes): New England Compliance Filings (various).....		23
SGIA Cancellation: CL&P/Covanta Wallingford.....	(ER21-867)	21
SGIA: CL&P / ECRRA.....	(ER21-651)	22

XII. Misc: Administrative & Rulemaking Proceedings

Carbon Pricing in RTO/ISO Markets.....	(AD20-14).....	25
FERC's ROE Policy for Natural Gas and Oil Pipelines	(PL19-4).....	33
FirstEnergy DOE Application for Section 202(c) Order		26
Grid Resilience in RTO/ISOs; DOE NOPR.....	(AD18-7).....	26
Hybrid Resources Technical Conference	(AD20-9).....	26
ISO/RTO Credit Principles and Practices.....	(AD21-6).....	24
NOI: Certification of New Interstate Natural Gas Facilities	(PL18-1).....	34
NOPR: Electric Transmission Incentives Policy	(RM20-10).....	28
NOPR: Managing Transmission Line Ratings	(RM20-16).....	28
NOPR: NAESB WEQ Standards v. 003.3 - Incorporation by Reference into FERC Regs	(RM05-5-029, -030).....	31
Offshore Wind Integration in RTOs/ISOs Tech Conf (Oct 27, 2020)	(AD20-18).....	25
Order 860/860-A: Data Collection for Analytics & Surveillance and MBR Purposes	(RM16-17).....	30
Order 2222: DER Participation in RTO/ISOs.....	(RM18-9).....	29
Waiver of Tariff Requirements	(PL20-7).....	31

XIII. Natural Gas Proceedings

Enforcement Action: BP Initial Decision	(IN13-15).....	36
Enforcement Action: Freeport LNG	(IN21-7).....	36
Enforcement Action: Total Gas & Power North America, Inc.....	(IN12-17).....	36
Enforcement Action: Tres Palacios	(IN21-3).....	36
Iroquois ExC Project.....	(CP20-48).....	34
New England Pipeline Proceedings		34
Non-New England Pipeline Proceedings		34

XIV. State Proceedings & Federal Legislative Proceedings

Executive Order on Securing the United States Bulk-Power System.....		38
New England States' Vision Statement / On-Line Technical Forums.....		37

XV. Federal Courts

2013/14 Winter Reliability Program Order on Compliance and Remand	20-1289.....(DC Cir.)	41
CASPR	20-1333(DC Cir.)	40
CIP IROL Cost Recovery Rules	20-1389.....(DC Cir.)	39
Exelon PP-10 Complaint	(20-1509) ..(DC Cir.)	39
ISO-NE Implementation of Order 1000 Exemptions for Immed. Need Rel. Projects	20-1422.....(DC Cir.)	39
ISO-NE's Inventoried Energy Program (Chapter 2B) Proposal.....	19-1224.....(DC Cir.)	41
Mystic 8/9 Cost of Service Agreement	20-1343.....(DC Cir.)	40
Opinion 531-A Compliance Filing Undo	20-1329(DC Cir.)	41
Opinion 569/569-A: FERC's Base ROE Methodology	16-1325.....(DC Cir.)	43
Order 872.....	(20-72788)(9th Cir.)	42
PennEast Project.....	18-1128.....(DC Cir.)	42

MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates

FROM: Dave Doot, NEPOOL Counsel

DATE: January 28, 2021

RE: Discussion on Legal/Jurisdictional Issues Associated with Various Future Grid Frameworks

This memorandum summarizes the plans for a discussion at the February 4 Participants Committee meeting of legal and jurisdictional issues associated with various alternative market frameworks that have been presented to NEPOOL in the “Pathways to the Future Grid” process over the last seven months. Ahead of a legal panel discussion on this subject, I will provide a brief overview (planning for ~30 minutes) of the information on threshold jurisdictional issues that we presented to NEPOOL in 2016 during the Integrating Markets and Public Policy (IMAPP) process, and will update that information to capture some relevant developments since then. Following that overview, there will be a panel discussion (planning for ~ 90 minutes) that will be moderated by former FERC Commissioner Tony Clark. The panelists will include the following three attorneys:

- Phyllis Kimmel – Phyllis is a DC attorney that has previously represented, among others, NESCOE and numerous state agencies and authorities on issues before the FERC. She represented NARUC on its appeal of the FERC storage order and began her career as a consumer advocate in Washington DC.
- Ari Peskoe – You may recall that Ari presented to NEPOOL in the past. He is the Director of the Electricity Law Initiative at the Harvard Law School Environmental and Energy Law Program and has written extensively about electricity regulation. He was also a presenter at the FERC’s conference in late 2020 on carbon pricing.
- John Estes – John heads Skadden’s Energy Regulation and Litigation Group. He has defended market participants in numerous FERC enforcement cases and in FERC and court litigation matters. He is known to many in New England, having represented a group of generators in the protracted LICAP litigation, and as well as in FERC litigation involving Dynegy, NRG, Exelon, and HQ, among others.

Following the panel discussion, the Chair will invite comments and questions from members and guests. A number of folks have already requested the opportunity to comment and/or ask questions and we invite others of you, if you wish, also to be added to the advanced queue for comments and questions. Time permitting, Dave Cavanaugh will also invite questions and comments in real-time from those who request an opportunity to speak during the discussion.

If you have questions or wish to discuss these plans, you can contact either me (dt_doot@daypitney.com; 860-992-2455 (cell number)) or Sebastian Lombardi (slombardi@daypitney.com; 860-830-6082(cell)).

Threshold Jurisdictional/Legal Issues – Future Grid Proposals



Presentation Overview

- Overview of FERC Jurisdiction
 - FERC jurisdiction granted and limited by statute
 - Jurisdiction as interpreted by courts
- Overview of state authority
- Analysis of regulatory action that may fall within FERC jurisdiction
- Post-Jurisdictional Issues
 - Determination of whether rates are “just and reasonable”
 - Undue discrimination or preference

Overview of FERC jurisdiction: FPA

- FERC only has the jurisdiction given to it by Federal statute: the Federal Power Act (FPA)
- **FPA Section 201** gives FERC jurisdiction over:
 - “that part of such business which consists of the **transmission** of electric energy in **interstate** commerce”
 - The “sale of such energy at **wholesale in interstate** commerce”
- **FPA Section 205** requires that public utilities must file “rates and charges...and the classifications, practices, and regulations affecting such rates and charges” with FERC

Overview of FERC jurisdiction: FPA

- FERC has the authority and responsibility under FPA **Sections 205 and 206** to ensure that wholesale power rates and charges which are on file with it, including the practices affecting such rates and charges, are **just and reasonable and not unduly discriminatory or preferential**
- FERC can exercise jurisdiction over transactions that are “in connection with” or **directly** “affect” jurisdictional rates and charges, even if the transactions themselves do not directly involve the transmission or sale of energy in interstate commerce. 16 U.S.C. § 824d; *City of Cleveland, Ohio v. FERC*, 773 F.2d 1368 (D.C. Cir. 1985); *FERC v. EPSA*, 136 S.Ct. 760 (2016).

State Authority

In general, States have exclusive jurisdiction over **retail** electric power sales, **distribution**, and **generation siting**

- FPA Section 201 specifically does *not* give FERC jurisdiction over:
 - “Facilities
 - used for the generation of electric energy
 - used in local distribution or
 - used for the transmission of energy in *intra*-state commerce, or for the transmission of energy consumed wholly by the consumer;” OR
 - Any sale of electricity that is not a sale at wholesale (i.e., for resale)

Interpreting FERC's Jurisdiction: Relevant Court Cases

- ***NAACP v. FPC*, 452 U.S. 662 (1976)**: FERC's authority to consider public interest is not broad authority to promote public welfare, but rather to further the purpose of the FPA
- ***FPC v. Florida Power & Light*, 404 U.S. 453 (1972)**: Even a purely intra-state utility may transmit power at wholesale that “intermixes” with power that will be travelling across state lines and thereby trigger FERC jurisdiction
- ***FPC v. Conway*, 426 U.S. 271 (1976)**: FERC can consider retail effects when setting wholesale rates as long as the wholesale rate remains within the zone of reasonableness

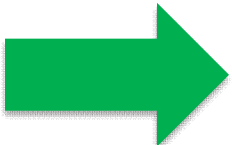
Interpreting FERC's Jurisdiction: Relevant Court Cases

- ***Oneok v. Learjet*, 575 U.S. 373 (2015)**: FPA's grant of authority to FERC over interstate electric and natural gas companies does not preempt state anti-trust laws that apply to those companies
- ***FERC v. EPSA*, 136 S. Ct. 760 (2016)**: FERC has broad jurisdiction over practices directly affecting wholesale rates, even where those practices relate to demand response regulated by States
- ***Hughes v. Talen Energy Mktg., LLC*, 136 S. Ct 1288 (2016)**: States do not have the authority to set wholesale power rates, directly or indirectly
- ***NARUC v. FERC*, 964 F.3d 1177 (D.C. Cir. 2020)**: FERC's jurisdiction over wholesale markets includes the ability to prohibit RTOs/ISOs from providing states with the option of blocking distribution-level storage wholesale market participation.

Testing the Limits of FERC Jurisdiction

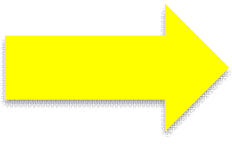
- Following the Supreme Court precedent in *FERC v. EPSA*, to determine whether FERC has exceeded its jurisdiction, Courts will ask:
- Whether the practice at issue “directly affects wholesale rates” → if it does, FERC can likely assert jurisdiction
 - Whether FERC has attempted to regulate a practice that is left to the states → if it has, FERC may have over-stepped its jurisdictional limitations
 - Whether the Court’s determination on jurisdiction would conflict with FPA’s core purposes of **“curb[ing] prices and enhanc[ing] reliability in the wholesale power market.”** *NARUC v. FERC*, 964 F.3d 1177, 1186 (D.C. Cir. 2020).
 - *As applied in NARUC v. FERC*, 964 F.3d 1177 (D.C. Cir. 2020) (*citing FERC v. EPSA*, 136 S.Ct. 760 (2016)).

FERC's Exercise of Jurisdiction



Courts have upheld FERC's jurisdiction over:

- Practices that directly affect wholesale markets
 - Sales of electricity and the rates, terms and conditions that go along with such sales. (*Hughes*)
- Compensation for demand response in wholesale markets (*EPSA*)
- Promulgating rules prohibiting RTOs/ISOs from banning batteries in wholesale markets (*NARUC*)
- Determining what is just and reasonable in RTO and ISO market auctions (*Hughes*)



FERC *may* have jurisdiction over:

- Regulation of carbon pricing in wholesale markets

FERC's Exercise of Jurisdiction

FERC does *not* have jurisdiction to:

- Regulate employment practices not related to the wholesale energy market (*NAACP*)
- Suggest rate design entirely different from that proposed by utility or from prior rate scheme (*NRG Power Marketing LLC v. FERC*, 862 F.3d 108 (D.C. Cir. 2017))
- Replace the governing board of an Independent System Operator with a new board chosen through a method dictated by the Commission (*CAISO v. FERC*, 372 F.3d 395 (D.C. Cir. 2004))
- Regulate any retail sale of electricity or electricity “inputs” (*Detroit Edison Co. v. FERC*, 334 F.3d 38 (D.C. Cir. 2003))
- Regulate in-state facilities (*Pacific Gas & Elec. Co. v. State Energy Resources Conservation and Development Comm’n*, 461 U.S. 190, 205 (1983) (quoted in *Hughes*.)
- Require utilities to cede any rights granted to them under the FPA (*Atlantic City Elec. Co. v. FERC*, 295 F.3d 1 (D.C. Cir. 2002); *Pub. Serv. Comm’n of New York v. FERC*, 866 F.2d 487 (D.C. Cir. 1989))
- Preempt state anti-trust laws (*Oneok*)

Additional Threshold Legal Issues

- **Preemption**

- The Federal Constitution and Federal statutes (such as the FPA) are supreme law of the land
- Field Preemption
 - When Congress has legislated comprehensively and left no room for states to supplement with their own legislation → federal law is supreme. *Northwest Central Pipeline Corp v. State Corporation Comm'n of Kan.*, 489 U.S. 493 (1989).
 - FPA “occupies the field” of wholesale power regulation. *Hughes*, 136 S.Ct 1288; *EPISA*, 136 S.Ct at 780.
- Conflict Preemption
 - If state law presents an obstacle to compliance with the federal law such that it is impossible to comply with both → federal law is supreme. *Arizona v. United States*, 567 U.S. 387 (2012).

Additional Threshold Legal Issues

- **The Commerce Clause/Dormant Commerce Clause**
 - States cannot: (1) discriminate against out-of-state economic interests, (2) unduly burden interstate commerce or (3) regulate commerce that takes place outside their borders.
 - Potential Exception: The Market Participant Exception. *Hughes v. Alexandria Scrap Corp.*, 426 U.S. 794 (1976) (if the state is participating in the market, rather than regulating the market, the state can favor its own citizens and the regulation cannot be struck down for violating the Dormant Commerce Clause).

Across the Threshold:
**Assuming FERC has jurisdiction, what are
the next legal issues to consider?**

Is the rate, term or condition of service “just and reasonable”?

- FPA Sections 205 and 206 authorize FERC to regulate the rates, terms, and conditions of jurisdictional service and ensure they are just and reasonable, and not unduly discriminatory or preferential.
- Courts have found that this standard is “incapable of precise judicial definition”—Courts are largely deferential to FERC. *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) (citing *Morgan Stanley Capital Group Inc. v. Public Utility Dist. No. 1 of Snohomish County, Wash.*, 554 U.S. 527 (2008)).
- FERC seeks to ensure just and reasonable rates by “enhancing competition” in order to bring efficient, lower cost power to consumers
 - Ensuring a level playing field for similarly-situated actors
 - Enhancing competition
 - Breaking down regulatory and economic barriers that hinder free market economy
 - Promoting cooperative federalism

Cases - “Just and Reasonable” Standard

- ***FPC v. Conway Corp.*, 426 U.S. 271 (1976)**: Statutory “reasonableness” is an abstract quantity that allows for a substantial spread between what is unreasonable because too low and unreasonable because too high.
- ***Montana-Dakota Util. Co. v. Nw. Pub. Serv. Co.*, 341 U.S. 246 (1951)**: FERC’s responsibility is to reduce the abstract concept of reasonableness to a concrete expression in dollars and cents.
- ***Permian Basin Area Rate Cases*, 390 U.S. 747 (1968)**: FERC is not required to find a rate, term, or condition to be just and reasonable at any particular level. It has “discretion regarding the methodology by which it determines whether a rate is just and reasonable.” See also *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017); *FPC v. Hope Nat. Gas Co.*, 320 U.S. 591 (1944).

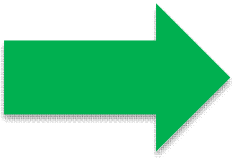
Is there any “undue discrimination or preference”?

- Different treatment in rates, terms and conditions is acceptable if the differences are shown to be based on distinctions that FERC can properly consider under the FPA
 - A rate is not unduly discriminatory or unreasonably preferential if the disparate effect is justified based on factual, policy or other legitimate reasons
 - The focus of undue discrimination or preference analysis will be whether there are legitimate reasons for the disparate treatment, including whether the recipients of the treatment are similarly situated

Cases - Undue Discrimination

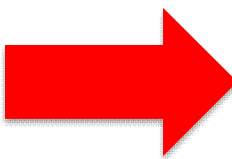
- ***New York v. FERC*, 535 U.S. 1 (2002)**: when the Commission finds that there is undue discrimination within its jurisdictional markets, it has the power to remedy such undue discrimination.
- ***Black Oak Energy LLC v. FERC*, 725 F.3d 230 (D.C. Cir. 2013)**: Disparate treatment between ratepayers can be acceptable if FERC offers a valid reason for the disparity.
- ***Transmission Agency of N. Cal v. FERC*, 628 F.3d 538 (D.C. Cir. 2010)**: The Court will not find a Commission determination to be unduly discriminatory if the entity claiming discrimination is not similarly situated to others.

Recent Nuance of Undue Discrimination at FERC



Discrimination that is not undue = acceptable:

- Discriminating in favor of renewables by allowing an exemption to the MOPR in ISO-NE and PJM. (ISO-NE) *Aff'd in NextEra Energy Resources, LLC v. FERC*, 898 F.3d 14 (D.C. Circuit 2018); (PJM) *Aff'd in New Jersey Bd. of Public Utilities v. FERC*, 744 F.3d 74 (3rd Cir. 2014).
- CASPR: allowing for different treatment of Sponsored Policy Resources as not similarly situated. *ISO New England, Inc.*, 162 FERC ¶ 61,205 (2018)
- Allowing aggregation for non-year-round resources making capacity bids and not allowing aggregation of year-round resources. *Advanced Energy Management Alliance v. FERC*, 860 F.3d 656 (D.C. Cir. 2017)



Discrimination that is undue = unacceptable:

- NYISO prioritizing Public Policy Resources in the capacity market. *NYISO*, 172 FERC ¶ 61,206 (2020); *NYISO*, 153 FERC ¶ 61,022 (2015)
- PJM's Capacity Repricing proposal was unduly preferential towards resources that received out-of-market support such as RECs and ZECs. *Calpine Corp. et al.*, 163 FERC ¶ 61,236 (2018)

Appendix: References

Statutes

16 U.S.C. § 824d

Supreme Court Cases

FERC v. EPSA, 136 S.Ct. 760 (2016)

NAACP v. FPC, 452 U.S. 662 (1976)

FPC v. Florida Power & Light, 404 U.S. 453 (1972)

FPC v. Conway, 426 U.S. 271 (1976)

Oneok v. Learjet, 575 U.S. 373 (2015)

FERC v. EPSA, 136 S. Ct. 760 (2016)

Hughes v. Talen Energy Mktg., LLC, 136 S. Ct 1288 (2016)

Pacific Gas & Elec. Co. v. State Energy Resources Conservation and Development Comm'n, 461 U.S. 190, 205 (1983)

Northwest Central Pipeline Corp v. State Corporation Comm'n of Kan., 489 U.S. 493 (1989)

Arizona v. United States, 567 U.S. 387 (2012)

Hughes v. Alexandria Scrap Corp., 426 U.S. 794 (1976)

Morgan Stanley Capital Group Inc. v. Public Utility Dist. No. 1 of Snohomish County, Wash., 554 U.S. 527 (2008)

FPC v. Hope Nat. Gas Co., 320 U.S. 591 (1944)

Montana-Dakota Util. Co. v. Nw. Pub. Serv. Co., 341 U.S. 246 (1951)

Permian Basin Area Rate Cases, 390 U.S. 747 (1968)

New York v. FERC, 535 U.S. 1 (2002)

Federal Court Cases

City of Cleveland, Ohio v. FERC, 773 F.2d 1368 (D.C. Cir. 1985)

NARUC v. FERC, 964 F.3d 1177 (D.C. Cir. 2020)

NRG Power Marketing LLC v. FERC, 862 F.3d 108 (D.C. Cir. 2017)

CAISO v. FERC, 372 F.3d 395 (D.C. Cir. 2004)

Detroit Edison Co. v. FERC, 334 F.3d 38 (D.C. Cir. 2003)

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

Pub. Serv. Comm'n of New York v. FERC, 866 F.2d 487 (D.C. Cir. 1989)

Emera Maine v. FERC, 854 F.3d 9 (D.C. Cir. 2017)

Black Oak Energy LLC v. FERC, 725 F.3d 230 (D.C. Cir. 2013)

Transmission Agency of N. Cal v. FERC, 628 F.3d 538 (D.C. Cir. 2010)

NextEra Energy Resources, LLC v. FERC, 898 F.3d 14 (D.C. Circuit 2018)

New Jersey Bd. of Public Utilities v. FERC, 744 F.3d 74 (3rd Cir. 2014)

Advanced Energy Management Alliance v. FERC, 860 F.3d 656 (D.C. Cir. 2017)

FERC Decisions

ISO New England, Inc, 162 FERC ¶ 61,205 (2018)

NYISO, 172 FERC ¶ 61,206 (2020)

NYISO, 153 FERC ¶ 61,022 (2015)

Calpine Corp. et al., 163 FERC ¶ 61,236 (2018)

MEMORANDUM

To: NEPOOL Participants Committee Members and Alternates

From: William P. Short III

Date: January 28, 2021

Re: Study of the Issue of Compensation for NEPOOL Officers

At the February NPC Meeting, I will be bringing an issue to the Participants Committee, the idea of compensating NEPOOL officers, for their time and unreimbursed expenses, for serving as your officers. This request is not asking for a vote on the matter at this time but rather to inform you of the studying of the issue. Over the next several months, I will be seeking your opinions on this matter in order to prepare a proposal to be brought to the Participants Committee for consideration.

The genesis of this effort is that the End User Sector has historically had issues with getting wider NEPOOL officer participation among its members due to the time and expense of being a NEPOOL Officer. In the End User Sector, for example, there may be self-employed individuals who cannot afford to donate the time necessary to act as vice chair. A similar situation could exist for consultants whose clients will not pay for the additional time necessary to act as vice chair and for employees whose employer will not agree to pay for their time to be a NEPOOL officer. I believe that a similar situation exists in the AR Sector and may exist in those other Sectors with “small” Participants.

There is presently no specific proposal. The concepts range from a stipend (i.e., outright cash payment with no record keeping) to just reimbursement of any reasonable time and/or verifiable out-of-pocket expenses, up to a cap. These payments could be made to the person, to his or her organization or just turned down and the funds returned to NEPOOL. The payments would not be intended as a financial windfall but rather would be intended to make the officer whole economically for his or her participation.

As part of this fact finding, I would like to know several things. If you were formerly or are presently a NEPOOL Officer, how much of your time did or do you spend on this activity and what were your incidental expenses (both type of expense and amount). If you were never a NEPOOL officer, does our current system discourage you from serving as an officer? If so, why? In both cases, what would be a reasonable level or levels of compensation, if any. There may be points or other reasons that I have missed about why more members are not willing to serve. If so, please let me know what you think should also be considered.

Please think over this concept and let me know your thoughts. To make sure that I get your points correctly, I would like your comments in writing as well as whether you want your comments treated confidentially. I would like to have your comments by May 1, 2021.

You may reach me at (201) 970-3707, (917) 206-0001 or w.shortiii@verizon.net.

Attachment

NEPOOL OFFICER POSITIONS (2005-2021)

Participants Committee	Dave Cavanaugh	Publicly Owned	(2021)
	Nancy Chafetz	Supplier	(2019-2020)
	Tom Kaslow	Generation	(2017-2018)
	Joel Gordon	Supplier	(2014-2016)
	Cal Bowie	Transmission	(2012-2013)
	Brian Forshaw	Public Entity	(2010-2011)
	Bob Stein	Supplier	(2008-2009)
	Pete Fuller	Generator	(2006-2007)
	Don Sipe	End User	(2005)
Sectors			
Transmission	Frank Ettori		(2020-2021)
	Cal Bowie		(2017-2020)
	Tim Brennan		(2014-2016)
	Cal Bowie		(2007-2013)
	Lisa Barton		(2006)
	Mary Ellen Paravalos		(2005)
Generation	Michelle Gardner		(2020-2021)
	Tom Kaslow		(2014-2020)
	Pete Fuller		(2005-2013)
Supplier	Nancy Chafetz		(2017-2021)
	Joel Gordon		(2012-2016)
	Bob Stein		(2007-2011)
	Dan Allegretti		(2005-2006)
Publicly Owned	Dave Cavanaugh		(2019-2021)
	Brian Forshaw		(2005-2018)
End User	Tina Belew		(2020-2021)
	Michael Macrae		(2019-2020)
	Liz Delaney		(2019)
	Stacy Dimou		(2018)
	Fred Plett		(2017-2018)
	Don Sipe		(2015-2016)
	Gus Fromuth		(2012-2014)
	Cindy Arcate		(2011)
	Gus Fromuth		(2010)
	Don Sipe		(2005-2009)

Alternative Resources	Doug Hurley		(2018-2021)
	John Keene		(2015-2017)
	Doug Hurley		(2009-2014)
	Tom Atkins		(2005-2008)
Technical Committee			
Markets	Bill Fowler	Generation	(2016-2021)
	Stacy Dimou	Transmission	(2014-2015)
	Tom Kaslow	Supplier	(2010-2013)
	Sandi Hennequin	Supplier	(2007-2009)
	Eric Stinneford	Transmission	(2005-2006)
Reliability	Bob Stein	Supplier	(2015-2021)
	Bill Fowler ¹	Generation	(2007-2014)
	Dorothy Capra	Generation	(2005-2006)
Transmission	Jose Rotger	Supplier	(2011-2021)
	Dorothy Capra	Generation	(2009-2010)
	Cal Bowie	Transmission	(2007-2008)
	Bob Stein	Supplier	(2005-2006)
NEPOOL Subcommittees			
Membership	Sarah Bresolin	AR	(2020-2021)
	Sarah Bresolin	End User	(2018-2020)
	Stacy Dimou	End User	(2017)
	Mike Lynch	Publicly Owned	(2005-2017)
Budget & Finance	Tom Kaslow	Generation	(2020-2021)
	Michelle Gardner	Generation	(2020)
	Ken Dell Orto	Generation	(2015-2019)
	Pete Fuller	Generation	(2014)
	Joel Gordon	Supplier	(2008-2013)
	Bill Short	AR	(2007-2008)
	Dan Allegretti	Supplier	(2005-2006)
	Roger Bacon	Public Owned	(2005)
NEPOOL Working Groups			
GIS Operating Rules	Michael Macrae	AR	(2020-2021)
	Michael Macrae	End User	(2019-2020)
	Dennis Duffy	Generation	(2005-2019)

Other NEPOOL Working Groups have been ignored for the moment but will be added if requested.

¹ Bill Fowler also represented Suppliers.