

SCHEDULE 20A – NEP

**NEW ENGLAND POWER COMPANY
PHASE I/II HVDC-TF SERVICE SCHEDULE**

PHASE I/II HVDC-TF SERVICE

Effective Date: May 1, 2024
ER24-1805-000

New England Power Company (NEP) holds certain Use Rights and obligations associated with its entitlement to the Phase I/II HVDC-TF, including all Use Rights and obligations associated with the former Montaup Electric Company's entitlement¹ (NEP's Use Rights). Under the Restated Use Agreement, NEP's Use Rights may be offered to Transmission Customers. This Service Schedule applies to all transactions that utilize NEP's Use Rights. Transmission Customers may obtain Phase I/II HVDC-TF Service by reserving all or a portion of NEP's Use Rights as defined through the Restated Use Agreement, Schedule 20A, and this Service Schedule. Transmission Customers shall schedule Phase I/II HVDC-TF Service reservations consistent with the Tariff, Schedule 20A, and this Service Schedule.

In addition to the other applicable charges specified in the Tariff, a Transmission Customer that utilizes NEP's Use Rights shall pay the Phase I/II HVDC-TF Service Charge as set forth in Sections A and B of this Service Schedule. Charges shall be revised each year to reflect the costs recorded in NEP's most recently filed FERC Form 1 and the 12-month average of the maximum of NEP's Use Rights as determined by NEP based on the TTC data for the Phase I/II HVDC-TF provided by the ISO. The Transmission Customer shall be billed monthly in accordance with Schedule 20A and this Service Schedule. Billing determinants are the Transmission Customer's Reserved Capacity of NEP's Use Rights and the applicable Phase I/II HVDC-TF Service Charge as calculated pursuant to this Service Schedule.

PHASE I/II HVDC-TF SERVICE CHARGE

A. Firm Point-To-Point Service

The Transmission Customer shall compensate NEP each month for Reserved Capacity for use of NEP's Use Rights at the sum of the applicable charges set forth below:

- 1. Yearly delivery:** one-twelfth of the demand charge as determined in Section A.5. below per KW of Reserved Capacity per year.
- 2. Monthly delivery:** Yearly delivery charge divided by 12 per KW of Reserved Capacity per month.

¹ Montaup has merged into NEP. NEP is the successor to Montaup for purposes of its entitlement in the Phase I/II HVDC-TF. However, any reference herein to the former Montaup Phase I/II HVDC-TF entitlement and associated charges shall apply to Montaup Phase I/II HVDC-TF entitlement prior to its merger with NEP.

3. **Weekly delivery:** Yearly delivery charge divided by 52 per KW of Reserved Capacity per week.
4. **Daily delivery:** Weekly delivery charge by 7 per KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5. **Yearly delivery charge:**

$$A = B/C$$

Where: A = Yearly charge for Phase I/II HVDC-TF Service

B = Annual Cost Assessed to NEP for the Phase I/II HVDC-TF

C = The average of NEP's 12 monthly maximum transfer limits on its share of the Phase I/II HVDC-TF for the previous calendar year.

The Annual Cost Assessed to NEP for the Phase I/II HVDC-TF shall be the sum of NEP's cost of service support payments to Vermont Electric Transmission Company (VETCO), New England Electric Transmission Corporation (NEET), New England Hydro Electric Transmission Company (NEH), and New England Hydro Transmission Corporation (NHH) for the prior calendar year.

B. Non-Firm Point-To-Point Service

The Transmission Customer shall compensate NEP for Non-Firm Point-To-Point Service for use of NEP's Use Rights up to the sum of the applicable charges set forth below:

1. **Monthly delivery:** Monthly delivery charge as set forth in Section A of this Schedule per KW of Reserved Capacity per month.
2. **Weekly delivery:** Yearly delivery charge as set forth in Section A of this Schedule divided by 52 per KW of Reserved Capacity per week.
3. **Daily delivery:** The weekly delivery charge as set forth above divided by 7 per KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4. Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time Phase I/II HVDC-TF Service is reserved and in no event shall exceed the daily charge divided by 24. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

ATTACHMENT L

Creditworthiness Policy

1. Introduction & Applicability

This Creditworthiness Policy (“Policy”) establishes creditworthiness standards for transmission service and/or interconnection service customers (each, a “Customer”) entering into new, amended, or assigned transmission or interconnection service agreements (each, a “service agreement”) with NEP under the ISO-NE OATT. This Policy is not applicable to Non-Firm Phase I/II HVDC-TF Service. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the ISO-NE OATT. The following describes NEP’s qualitative and quantitative credit review procedures, certain required security, and the types of security that are acceptable to NEP.

2. Information Requirements

For purposes of determining the ability of a Customer to meet its obligations, NEP may require the Customer to submit financial information for credit review, including credit ratings, credit reports and audited financial statements. In addition, the following factors may be considered in evaluation of the Customer’s creditworthiness: applicant’s history; nature of organization and operating environment; management; contractual obligations; governance, financial/ accounting policies, risk management and credit policies; market risk including price exposures, credit exposures, and operational exposures; and event risk. All information required hereunder shall be promptly provided to (i) NEP’s representative(s) as directed by NEP or, (ii) the NEP representative(s) at the address(es) designated in the applicable service agreement.

3. Creditworthiness Evaluation

NEP will evaluate the creditworthiness of each Customer entering into new, amended or assigned transmission or interconnection service agreements with NEP in order to assess the Customer’s credit risk relative to the exposure or “Total Outstanding Obligation” (as defined in Section 3.1 hereof) created by the contemplated transaction or transactions between NEP and the Customer.

3.1 Total Outstanding Obligation

The Customer's Total Outstanding Obligation to NEP will be the sum total of the required amounts for the following components:

3.1.1 For any service agreement that contemplates procurement, installation, or construction of any transmission and/or interconnection facilities on behalf of the Customer at the Customer's sole expense: subject to Section 4 hereof, unless the Customer elects to pay a formula rate over time and provides the associated security to NEP as contemplated by Section 3.1.4 hereof, the Customer shall be obligated to provide security to NEP pursuant to Section 3.2, below, for the total capital costs to be incurred by NEP and/or its Affiliates for transmission and/or interconnection facilities that are to be constructed at the Customer's sole expense as contemplated by the applicable service agreement and, as applicable, the total costs, including, all capital cost payment responsibilities and obligations, for NEP and/or its Affiliates to implement and place in service the Interconnecting Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades and Distribution Upgrades under the applicable service agreement, including the costs for engineering review, permitting, construction supervision, testing and other support services with respect to the Interconnecting Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and Distribution Upgrades plus, as applicable, the estimated Tax Gross-Up Amount contemplated by Section 4, below.

3.1.2 If the Customer is obligated under the terms of the ISO-NE OATT or the applicable service agreement to make payments to NEP for ongoing expenses (including, but not limited to, O&M expenses related to interconnections or other monthly charges such as monthly transmission charges under Schedule 21- NEP of the ISO-NE OATT), the Customer will be required to provide security pursuant to Section 3.2, below, for four months' worth of the Customer's average payment obligation for all such charges.

3.1.3 Whenever, in accordance with the provisions of the ISO-NE OATT, a Customer pays a Contribution in Aid of Construction ("CIAC") or transfers ownership of facilities to NEP and/or its Affiliates for transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense, and NEP determines in good faith that the receipt of such CIAC payments, property and/or facilities from the Customer is expected to be non-taxable, NEP may elect not to require payment for related gross-ups for the amount of potential tax liability, but NEP will require a form of security from the Customer pursuant to

Section 3.2, below, for the amount of the potential tax liability that NEP and/or its Affiliates would incur if such CIAC payments, property or facilities transfers are later deemed or become taxable.

3.1.4 If, in accordance with the provisions of the ISO-NE OATT, a Customer elects to pay a formula rate over time for return of and on the cost of capital incurred by NEP and/or its Affiliates on behalf of the Customer at the Customer's sole expense, the Customer will be required to provide security pursuant to Section 3.2, below, for the unamortized balance of plant in service reserved for the sole use of the Customer; the face amount of such security may be reduced by the Customer, from time to time, to reflect current amortization of such plant in service.

3.2 Creditworthiness Requirements

A Customer will be considered creditworthy if the Customer both (i) satisfies at least one of the following conditions contained in Sections 3.2.1 through 3.2.5, or a combination of such conditions, at the time that the Customer enters into a transmission or interconnection service agreement and for so long as the Customer maintains satisfaction of at least one of these conditions for any outstanding obligations thereunder, and (ii) provides and maintains the security, in forms acceptable to NEP, required under the terms of the ISO-NE OATT and the applicable service agreement(s), including the security specified in Sections 3.2.2 through 3.2.5, as applicable as determined by NEP, at the time or times required by Section 5.1 or at the time or times otherwise required under applicable provisions of the ISO-NE OATT or the relevant service agreement(s):

3.2.1 The Customer maintains a minimum Credit Rating of BBB from S&P or Baa2 from Moody's, so long as the Customer's Total Outstanding Obligation plus any other unsecured Customer obligations with NEP and its Affiliates does not exceed the Credit Limits specified in Section 7 hereof. "Credit Rating" for an entity is defined as the rating assigned by Moody's Investors Service and any successor thereto ("Moody's") and/or S&P Global Ratings and any successor thereto ("S&P"), as applicable, to such entity as its corporate credit rating or Long-Term Issuer rating. In the event of an inconsistency in ratings by the rating agencies (a "split rating"), the lowest assigned rating shall control. If unrated, the Customer's financial statements will be reviewed to determine an equivalent rating based on the Customer's unsecured credit limits and/or financial statements.

3.2.2 The Customer provides and maintains in effect during the term of, and until full and final payment and performance of all obligations under and in connection with, the applicable service agreement, an unconditional and irrevocable standby letter(s) of credit for the Total Outstanding Obligation in form and substance and issued by a bank (“Letter of Credit Bank”) acceptable to NEP (each, a “Letter of Credit”).

3.2.3 A parent or an Affiliate of Customer satisfying the creditworthiness criteria set forth in Section 3.2.1 (“Guarantor”), and subject to the Credit Limits stated in Section 7 below, delivers to NEP, and maintains in effect during the term of, and until full and final payment and performance of all obligations under and in connection with, the applicable service agreement, an absolute and unconditional guaranty by such Guarantor for the Total Outstanding Obligation, such guaranty to be in form and substance acceptable to NEP (each, a “Guaranty”). The foregoing notwithstanding, NEP shall have the right, consistent with the ISO-NE OATT, to require that the Customer provide a Letter of Credit, as contemplated by Section 3.2.2, or advance cash payment, as contemplated by Section 3.2.5, in lieu of a Guaranty.

3.2.4 If (i) the Customer is a municipal entity that is a member of the Massachusetts Municipal Wholesale Electric Cooperative (“MMWEC”), (ii) MMWEC meets and maintains the creditworthiness criteria set out in Section 3.2.1, or delivers a Letter of Credit as contemplated by Section 3.2.2 above, and (iii) MMWEC provides to NEP, and maintains in full force and effect at all times, a guaranty, in form and substance acceptable to NEP, providing that MMWEC will be unconditionally responsible for all financial obligations associated with the Customer’s receipt of transmission or interconnection service from NEP, including the Total Outstanding Obligation (each, an “MMWEC Guaranty”).

3.2.5 The Customer makes an advance cash payment to NEP in immediately available funds for the Total Outstanding Obligation.

The face amount of any Letter of Credit, Guaranty, or MMWEC Guaranty, or any schedule of advance cash payments, provided or to be provided hereunder based on estimated amounts must be adjusted as contemplated by Section 5.2, below, to reflect changes in estimated and/or actual amounts, as applicable, when such amounts become known.

The Customer shall inform NEP in writing within 5 calendar days of any material change in the financial condition of any entity providing security, including any Letter of Credit Bank, Guarantor or, as applicable, MMWEC. A material change in financial condition shall include the following: (a) any reduction in Credit Rating or other downgrade by a recognized financial rating agency, (b) placement on credit watch with negative implications by a recognized financial rating agency, or (c) a bankruptcy filing or declaration of or acknowledgement of insolvency.

If, at any time, the Letter of Credit Bank or the Guarantor (or, in the case of an MMWEC Guaranty, MMWEC) fails to meet or maintain any requirements specified in this Section 3.2, the Customer will be required to provide (i) written notification thereof to NEP within 5 business days and (ii) replacement security in form and substance acceptable to NEP, consistent with the requirements of this Section 3.2, within 10 business days.

4. Customer Costs Requiring Prepayment

Whenever, in accordance with the provisions of the ISO-NE OATT, a Customer is required to pay a CIAC for transmission or interconnection facilities to be constructed by NEP or its Affiliate(s) on behalf of a Customer at the Customer's sole expense, the Customer will have the option to (i) prepay the estimated amount of the CIAC, or (ii) make periodic CIAC progress prepayments, as specified in the applicable service agreement, to prepay in increments the estimated capital costs anticipated to be incurred by NEP, each such prepayment to be paid to NEP in immediately available funds. The estimated amount of security required to be provided by Customer pursuant to Section 3.1.1 may be reduced by the amount of each such prepayment upon such prepayment being made. For the avoidance of doubt, any such prepayment amounts are estimates only and Customer shall remain responsible to pay NEP in full for the total amount of all such CIAC and other costs actually incurred. If NEP determines in good faith that such payments made by the Customer, or any property transfers from the Customer, should be reported as income subject to taxation, the Customer shall also prepay all costs associated with the cost consequences of the current tax liability imposed on NEP by those payments or property transfers (the "Tax Gross-Up Amount").

5. Timing; Adjustments in Security Amounts

5.1 Timing for Providing Initial Security

5.1.1 For any service agreement that contemplates procurement, installation, or construction of any transmission and/or interconnection facilities on behalf of the Customer at the Customer's sole expense, the security contemplated by Sections 3.1.1, 3.1.3 and 3.1.4 hereof shall be provided by the Customer at least 30 days prior to the date NEP or any of its Affiliates commence procurement, installation, or construction of a discrete portion of the transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense as contemplated by the applicable service agreement (including any of the Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades or Distribution Upgrades). For any other service agreement entered into between NEP and the Customer, required security with respect thereto shall be provided by the Customer to NEP at least 30 days prior to the effective date of such service agreement.

5.1.2 Any security contemplated by Section 3.1.2 shall be provided by the Customer on or before 30 calendar days after, as applicable, (i) the date of the final invoice issued by NEP for costs incurred to place the transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense as contemplated by the applicable service agreement (including Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades and Distribution Upgrades) in service under the terms of the applicable service agreement, or (ii) if such facilities are constructed by the Customer under the terms of the ISO-NE OATT, the date such facilities are placed in service under the terms of the applicable service agreement.

5.2 Adjustment of Security Amounts

Upon modification of any applicable estimated amount, and, if applicable, upon completion of any transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense as contemplated by the applicable service agreement (including Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the face amount(s) of any security contemplated by Section 3 hereof shall be adjusted to reflect, as applicable, the modified estimate or the total actual costs incurred and the related gross-ups for the amount of actual or potential tax liability.

6. Term of Security

Any security provided must remain in full force and effect in accordance with the terms hereof and of any other provision of the ISO-NE OATT (including the applicable service agreement) until the amount

secured thereby has been fully paid to NEP, provided, that, replacement security must be provided within the time periods contemplated by this Policy, the ISO-NE OATT and the applicable service agreement (i) for (and in advance of) any expiring or terminating existing security or (ii) if the Letter of Credit Bank, Guarantor, or MMWEC, as applicable, fails to meet any of the requirements stated in this Policy, the ISO-NE OATT or the applicable service agreement.

7. Credit Limits

NEP reserves the right to limit the total amount of unsecured credit extended to a Customer such that the sum of all unsecured credit that such Customer has with NEP and its Affiliates, including the Total Outstanding Obligation, shall not exceed the Credit Limits defined below. For the avoidance of doubt: NEP shall have no obligation to extend any unsecured credit to the Customer with respect to any amounts that are otherwise required to be secured under the terms of the ISO-NE OATT, the applicable service agreement(s) and/or as contemplated in Section 3.1 and/or Section 3.2. Such Credit Limits are based on an assessment of the Customer's or its Guarantor's (or, as applicable, MMWEC's) credit rating and the Net Worth of the Customer's or its Guarantor's (or, as applicable, MMWEC's) assets. "Net Worth" of an entity means such entity's total assets, exclusive of intangible assets, less total liabilities, as reflected on the most recent balance sheet prepared by a certified public accountant as part of a certified financial statement in accordance with generally accepted accounting principles consistently applied in the business sector of such entity.

S&P's (or Moody's Equivalent) Credit Rating	Credit Limit as Percent of Customer's (or Guarantor's or, as applicable, MMWEC's) Net Worth
A and above	1.0%
A-	0.5%
BBB+	0.2%
BBB	0.1%
BBB-	0.0%

8. Contesting Creditworthiness Determinations

A Customer may contest NEP's determination of creditworthiness by submitting a written request to NEP for re-evaluation within 20 calendar days of being notified of the creditworthiness determination. Such

request should provide information supporting the basis for a request to re-evaluate the Customer's creditworthiness. NEP will review and respond to the request within 30 calendar days.

9. Process for Changing Credit Requirements

In the event that NEP plans to revise its requirements for credit levels or security requirements as detailed in this Policy, NEP shall submit such changes in a filing to the Federal Energy Regulatory Commission ("Commission") under Section 205 of the Federal Power Act. NEP shall follow the consultation obligation pursuant to Section 3.12 of the Transmission Service Administration Agreement and as reflected herein.

10 Notification Process

10.1 General

10.1.1 NEP shall consult with ISO-NE and the IRH Management Committee regarding any filing described in Section 9, above, at least 30 days in advance of such filing.

10.1.2 Following Commission acceptance of such filing and upon the effective date thereof, NEP shall revise this Policy and an updated version of Schedule 20A-NEP shall be posted on the ISO-NE website.

10.2 Customer Responsibility

10.2.1 When there is a change in any creditworthiness requirements contained in this Policy, it is the responsibility of the Customer to promptly deliver, within 30 days of the effective date of the change, updated financial information to NEP, and to indicate whether the change affects the Customer's ability to meet the requirements of this Policy. In such cases, the Customer must take the necessary steps to comply with the revised requirements of the Policy by not later than 45 days following the effective date of the change. All information required hereunder shall be promptly provided to (i) NEP's representative(s) as directed by NEP from time to time or, (ii) the NEP representative(s) at the address(es) designated in the applicable service agreement.

10.3 Notification for Active Customers

10.3.1 Active Customers are defined as any current Customer that has a service agreement currently in effect and has posted a Letter of Credit, Guaranty, MMWEC Guaranty or prepayment in accordance with Section 3.2, above.

10.3.2 All Active Customers will be served with copies of any filing submitted to the Commission to modify this Policy.

11. Suspension of Service

NEP may immediately suspend service (with notification to the Commission) to a Customer, and may initiate proceedings with the Commission to terminate service, if the Customer fails, at any time during the term of the applicable service agreement, to meet any of the terms, conditions or requirements described in this Policy. The Customer shall be obligated to pay for all costs actually incurred by NEP and/or its Affiliates, after commercially reasonable efforts on the part of NEP to mitigate such costs, as a result of any such suspension of service. The Customer is not obligated to pay for transmission service(s) that is or are not provided as a result of such a suspension of service.

12. Interpretation

The inclusion of headings in this Policy is for convenience of reference only and shall not affect the construction or interpretation hereof. The words “section”, “herein” and “hereof” shall refer to provisions of this Policy, unless expressly indicated otherwise. Whenever the context requires the singular number it shall include the plural, and vice versa. The words “include”, “includes” and “including” herein shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of similar import, unless the context otherwise requires.