

DDG Participant Conference Call – February 22, 2016

Agenda

- I. Action Items from Last Conference Call
- II. Operational Questions
- III. eMarket
- IV. Settlement and Reporting
- V. Project Progress/Schedule
- VI. Discuss potential topics and date for next conference call

I. Action Items from Last Conference Call

1. Answer any open items from last conference call.

II. Operational Questions

1. If a generator needs to be limited due to local constraints on the distribution system, how does that impact the DNE limit? Will the LCC call the generator and instruct them to limit their output below the DNE, with the ISO dispatch software being "unaware" of this instruction and the generator needing to follow the lower of the DNE or LCC instructions? Or will the DNE limit somehow reflect the local limitation?

ISO-NE: The LCC would notify the ISO of the local constraint. The local constraint would likely be implemented via an ISO-imposed redec which would flow through to the DNE limit. There is a possibility that they could receive an initial call from an LCC with a manual dispatch instruction, but that is unlikely. The DNE software will respect the ISO-imposed redec which will be sent as a DNE to the generator.

2. If an intermittent wind or hydro generator is receiving a DDP over their RTU prior to May 25th, 2016, this is not a value that the generator needs to follow or pay attention to, correct? It is only starting May 25th that the generator needs to follow this value, at which time it will be a DNE limit, right?

ISO-NE: This is correct for wind units. According to the Market Rule they are not dispatchable until DNE is implemented. Intermittent hydro units have a choice. If they have an RTU online and working prior to May 25th, they can choose to be dispatchable. If they do so then they will receive a DDP (not a DNE) and they will have to follow that DDP like every other generator. These units would be set to UCM 4 in real time. After the DNE cutover they DDP would then be a DNE value. Any intermittent hydro choosing to become dispatchable prior to May 25 would need to inform us of their intent to become dispatchable.

3. If an intermittent wind or hydro generator is receiving a DDP over their RTU prior to May 25th, what is the source of the DDP value and how is ISO using it?

ISO-NE: These DDPs come from the market system as they do for all other generators. There is no special processing until the DNE project cutover. As such, if an intermittent hydro chooses to be dispatchable they must follow their DDP. Wind units will stay in UCM 3 until DNE cutover. UCM3 units' DDP is just an echo of their State Estimator MW. This is used in maintaining the energy balance for the system.

4. Once the RTU Market Session is tested, will all of the data from the market session begin flowing through to the DNE dispatchable generators? And the DDP/DNE signal can just be ignored until May 25th? Will these generators be kept in UCM 3 until May 25th and changed to UCM 4 on May 25th?

ISO-NE: For wind units and intermittent hydros with RTUs that choose to not be dispatchable prior to May 25th, they will remain in UCM 3. Their DDP will always be set to their current output and they can operate as they do today. ISO-NE's IT group will coordinate with each unit as to their RTU cutover date.

5. Are all DNE hydro units going to be in UCM 4 once they are part of the DNE dispatch program or will some be kept in UCM 3 due to ramp rates slower than 0.1 MW/min or a delay between receiving a new DNE limit and being able to respond to it?

ISO-NE: All DDGs will be in UCM4 unless they indicate to the control room that they cannot follow dispatch instructions, at which point they'd likely be put in a UCM3 until they can begin to follow DDPs.

6. What happens if a DNE generator has a delay between receiving a new DNE point and being able to respond (for example, if a staff person has to drive to the site to adjust the output each time a new DNE is received)?

ISO-NE: Then they should contact the Control room and indicate that they are not able to follow dispatch instructions.

7. What are the redeclaration requirements for DNE Dispatchable Generators? How much of a change in parameters does there have to be and for what duration before the Designated Entity needs to call ISO to redeclare?

ISO-NE: There are no redeclaration requirements that are specific to DNE Dispatchable Generators. Just like any other generating resource, DDG DEs are responsible to keep the ISO Control Room informed of any actual or anticipated changes to the resource's ability to respond to dispatch instructions in accordance with their offer parameters without delay. Redeclarations should be made to the ISO Control Room as soon as practicable once a DE becomes aware of a change to any offer parameter. This expectation is in line with the Tariff as well as OP-14 requirements. These expectations are reinforced annually through the required SROT training.

Wind units should never need to redeclare their limits. RTHOL is telemetered every 5 minutes via the RTU and EcoMax is automatically set from the forecast. Unless there is

some technical problem with either the RTU or RTHOL then there is no need for wind units to redeclare their limits.

III. eMarket

A. Questions and Answers Received since Last Conference Call

1. Is ISO still planning market training for variable resources? If so, how these resources submit offers into eMarket is something I assumed would be covered in that training. If not, or if that training is scheduled after DNE implementation, can ISO please go over the submittal of offers in eMarket as part of the DNE implementation webinars?

ISO-NE: This will be the primary topic of the next DDG Participant conference call. A market administrator will give an overview and answer questions. If there are specific questions that people want answered in that presentation, please ask them in today's call or send to ISO-NE's customer service soon so they can be incorporated.

2. Will there be a change in eMarket to accommodate the modeling or offer validation of DNE generators?

ISO-NE: There are no eMarket changes with the DNE project implementation.

3. If a DNE dispatchable generator hasn't submitted an offer price for its energy on the first day of DNE dispatch, what default offer price would be used by ISO?

ISO-NE: There must be a valid offer schedule in the market system. ISO-NE will be working with each DDG to ensure that there is a valid default offer schedule.

IV. Settlements and Reporting

A. Questions and Answers Received since Last Conference Call

1. What are the Settlement rules that can be expected to change with DNE dispatch?

ISO-NE: Please refer to the Tariff changes filed with FERC on the ISO-NE web site (http://www.iso-ne.com/static-assets/documents/2015/04/er15-1509-000 - do not exceed dispatch changes.pdf). We will discuss further questions on the conference call.

- 2. (Please let us know) if there will be any modifications to the following Dispatch MIS reports to indicate DNE dispatch point of a DNE dispatchable generator
 - "Unit Operation Report (OI UNITOPER)"
 - "Day-Ahead Generator Commitment and Dispatch Report" (SD_DANCPCGEN)
 - · "Real-Time Generator Commitment and Dispatch Report" (SD_RTNCPCGEN)

ISO-NE: All three of these reports will be modified with DNE project, but only the OI_UNITOPER and SD_RTNCPCGEN will include DNE MW fields to provide the new DNE dispatch point. The SD_DANCPCGEN report provides data associated to Day-

ahead settlements and does not include any information related to RT Dispatch instructions.

V. Project Status

- A. Progress to date
- **B.** Upcoming milestones
- VI. Discuss potential topics and date for next conference call