

FINAL

A meeting of the NEPOOL Participants Committee was held at 10:00 a.m. on Friday, March 5, 2010 at the Seaport Hotel and Conference Center, One Seaport Lane, Boston, MA, pursuant to notice duly given. 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 attending the meeting.

Mr. Brian Forshaw, Chair, presided and Mr. David T. Doot, Secretary, recorded.

RECOGNITION OF MS. CASSANDRA HENNEQUIN

Ms. Sandi Hennequin was recognized for her service as Vice-Chair of the Markets Committee during 2008 and 2009. Following introductory remarks of appreciation from Mr. Forshaw, the Committee approved the following resolution by unanimous acclamation:

WHEREAS, Ms. Sandi Hennequin was the Vice-Chair of the New England Power Pool Markets Committee during 2008 and 2009; and

WHEREAS, during her tenure as Vice-Chair of the NEPOOL Markets Committee, that Committee met over 100 times and tackled such non-controversial issues such as how to treat price-responsive demand in the region's energy markets, what changes to make to the Forward Capacity Markets, and most importantly, where to hold its summer meeting and whether the resort had a cave; and

WHEREAS, throughout her service, Sandi was a tireless advocate for the interests of Participants, making sure that every voice was heard, even when no one else wanted to hear those voices, and that the meetings ran smoothly and efficiently, all while maintaining her cheerful demeanor and becoming a friend to many; and

WHEREAS, Sandi has demonstrated professionalism, integrity, understanding, and a keen sense of fairness, statesmanship, and most importantly, a sense of humor in addressing the many controversial issues confronting the Markets Committee, NEPOOL, and the New England region; and

WHEREAS, Sandi has resigned from her membership on the Markets Committee and this Committee in order to accept not only a Starbucks gift card but also a position as Vice President of the New England Power Generators Association.

NOW, THEREFORE, the Participants Committee of the New England Power Pool, on behalf of the NEPOOL Participants, hereby expresses its gratitude to Sandi for her years of service to the Pool, particularly those as the elected Vice-Chair of the Markets Committee, and extends best wishes to Sandi and to her husband, Steve, and daughters Abigail and Margaret, for continued happiness, success, and future growth, as she embraces new opportunities and challenges.

Ms. Hennequin was presented with a framed copy of this resolution, a gift in appreciation for her years of service to NEPOOL and the Markets Committee, and expressed her appreciation to the Committee.

APPROVAL OF FEBRUARY 5, 2010 MINUTES

Mr. Doot referred the members to the preliminary minutes of the February 5, 2010 meeting that had been circulated in advance of the meeting. Following motion duly made and seconded, the preliminary minutes of the February 5 meeting, with minor clean-up changes noted, were unanimously approved.

CONSENT AGENDA

Mr. Forshaw referred the Committee to the Consent Agenda that had been circulated in advance of the meeting. Following motion duly made and seconded, the Consent Agenda was unanimously approved.

REPORT OF ISO CHIEF EXECUTIVE OFFICER

In the absence of Mr. Gordon van Welie, Mr. Raymond Hepper, ISO Vice President and General Counsel, summarized the Board and Board Committee meetings that had occurred since the February 5 report. He noted that each of the committees and the Board met once.

Compensation and Human Resources Committee

Mr. Hepper reported that the Compensation and Human Resources Committee met via teleconference on February 11 to review compensation issues. The Committee also received an update on negotiations with the union representing the ISO's system operators.

Audit and Finance Committee

Mr. Hepper reported that the Audit and Finance Committee met on February 25 in Holyoke. The Committee met with CAPTRUST Financial Advisors, which provides investment advice regarding the assets in the ISO's pension and 401(k) plans. CAPTRUST and the Committee discussed asset allocations and plan costs. After the CAPTRUST representatives left the meeting, management reviewed the ISO's debt structure and the applicable interest rates. The Committee approved the continued use of variable rates for its outstanding debt. Management and the Committee discussed various significant accounting estimates. The Committee discussed the FERC's Notice of Proposed Rulemaking (NOPR) on Credit Reforms (Credit Reform NOPR), and management reviewed discussions that had been had on this topic with stakeholders and other ISOs and RTOs. Mr. Hepper reported that the Committee continued to feel that this was an important issue and that the ISO must continue to move ahead with credit reforms. Last, he reported that representatives of the ISO Internal Audit Department reviewed corporate goal achievement, and also discussed the Department's achievement of its 2009 audit plan.

Board Markets Committee

Mr. Hepper reported that the Board Markets Committee met on February 25 in Holyoke. The Committee received its regular reports on market monitoring activity, market seams, and the NEPOOL Markets Committee. During the market monitoring report, the Committee reviewed

the internal market monitor's progress on developing and implementing new business procedures. The Committee discussed LMP price differentials, the increase in regulation costs, the increase in virtual trading activity, and trends concerning Net Commitment Period Compensation (NCPC). The Committee also discussed FERC's initiative related to RTO/ISO metrics, and expressed concerns about whether the metrics actually measure market or RTO performance. The Committee also expressed concern over the incentives that collection and reporting of this data may create. The Committee received a report on short-term load forecasting accuracy. The Committee received an update on the NEPOOL votes on FCM and discussed the schedule for current and future FCM changes. Last, regarding price responsive demand (PRD), the Committee discussed the schedule for filing Market Rule changes in two phases with the first phase, involving pricing and cost allocation, to be made by the end of April.

System Planning and Reliability Committee (SPARC)

Mr. Hepper reported that SPARC met on February 25 in Holyoke. The Committee reviewed the recent accident at the Kleen Energy facility and developments related to Vermont Yankee. Management provided a status report on a number of proposed elective transmission upgrades. The Committee discussed the proposed scope of work for the 2010 Regional System Plan (RSP). The Committee agreed that the 2010 RSP should include a number of stakeholder suggestions, including breaking out the plan and providing clear links to the Tariff. The Committee also discussed changing the format of the RSP public meeting so that it is more useful to stakeholders and includes more than a summary of the RSP. The Committee received a report on the ISO's compliance with various reliability and other standards. He clarified in response to a question that the report was a routine, periodic report from Mr. Matthew Goldberg on the status of compliance efforts generally and with respect to reliability rules specifically, with no unusual issues identified. Last, he said that the SPARC received an update on the status

of Department of Energy (DOE)-funded projects at both the ISO and the Eastern Interconnection Planning Collaborative (EIPC).

Full Board

Mr. Hepper reported that the full Board of Directors met on February 25 in Holyoke. The Board received a presentation on load forecasting, which included a presentation by an economist from Moody's Analytics regarding the personal income portion of the load forecast. The Board discussed a number of factors relevant to load forecasting, including energy efficiency programs. Mr. Hepper reviewed that he and Mr. van Welie each gave brief updates on administrative matters, including the upcoming conference of the ISO/RTO Council for all ISO and RTO directors. At this event, all of the ISOs' and RTOs' Board members get together and exchange information about trends and best practices. He said that, following that discussion, the Board received reports from the various Committees on their recent activities.

Following the report, addressing the EIPC process, a member noted the ongoing dialogue among public interest organizations and environmental and consumer groups concerning stakeholder involvement, as well as funding for, participation in the EIPC process and urged active participation by the ISO in the EIPC process and to support and push for the allocation of funds to support public interest group participation in that process.

In response to questions concerning the ISO's discussion and plans in response to the FERC's request for comments on proposed RTO/ISO metrics, Mr. Hepper clarified that the Board discussion reported earlier had largely focused on concerns over whether the proposal would measure RTO performance and provide effective metrics of performance or, rather, simply reported data and would serve as something other than metrics. He indicated that the ISO organizationally would not submit comments in response to the FERC request, given the role it

had played, through Mr. Robert Ludlow's involvement, in the development of the FERC proposal, but that the Internal Market Monitor planned to file his own set of comments on the proposed metrics. He indicated that Mr. Ludlow would be available at and after the meeting to address any further questions or concerns.

REPORT OF ISO CHIEF OPERATING OFFICER

Dr. Vamsi Chadalavada then reviewed highlights from the monthly COO report, which was circulated in advance of the meeting and posted on the ISO website. He indicated that February natural gas prices were 11.4% lower and oil prices 4.1% lower than the January 2010 values. He reported that February Real-Time Hub LMPs were 13% lower from January averages and reviewed that there was a direct correlation between fuel price and LMPs.

Turning to NCPC, Dr. Chadalavada reviewed that NCPC, or out-of-merit costs, had substantially declined over the prior 18 months. He noted that, while there had been a spike in NCPC costs in December 2009, those costs were moderated in January, and had in February declined to historically low levels, totaling \$1 million, a decrease of \$3 million from January. He reported that February First Contingency payments totaled \$868,000; Second Contingency payments, \$156,000; and distribution payments, \$20,000. He explained that NCPC payments during February were 0.2% of the total February Energy Market value.

Addressing deviations between Day-Ahead and Real-Time LMPs, Dr. Chadalavada referred members to slides in the COO Report that illustrated the Day-Ahead and Real-Time hourly LMPs and offered explanations for the price spikes. He encouraged members to review those slides and to contact him or Mr. Kevin Kirby with any questions or concerns.

Dr. Chadalavada reported that the next Planning Advisory Committee (PAC) meeting was scheduled for March 8, rescheduled from February 24 due to bad weather. At that meeting,

the PAC would review the 2010 load forecast, both region-wide and state-by-state, and would received an update on the RSP10 process. He reminded the Committee that the deadline for the submission to the ISO of Economic Study Requests was April 1.

Referring to earlier discussion, Dr. Chadalavada further explained and addressed EIPC efforts. He indicated that, among the topics of immediate focus in that process, was the development of the stakeholder structure that would be used, as well as how to incorporate regional factors in the scenarios being developed. He noted the ISO's role in EIPC as a principle investigator, and stressed the importance of achieving full regional support for presentations that the ISO would make in that process. Dr. Chadalavada indicated that future COO monthly reports would include additional information concerning EIPC activities and deadlines. Mr. Forshaw identified the need to develop a focused approach for NEPOOL on these issues, and committed to work with the ISO and NEPOOL officers to identify a means to plug NEPOOL, as an organization, into this process as appropriate. Dr. Chadalavada noted plans to provide additional background and detail on the status and progress that the EIPC has made so far at the March 8 PAC meeting.

Dr. Chadalavada informed the Committee that, following the explosion at the Kleen Energy facility, the transmission configuration surrounding that facility was being rerouted to its original form. He explained that the original configuration was a line from Manchester to Scovill Rock. With plans for Kleen to come on-line, that line was to loop into Kleen and then into Scovill Rock. However, given the facility's status, that line would be returned to its original state, with an expected return-to-service date of March 13. He noted that there might be increased out-of-merit costs or price spikes from congestion while the reconfiguration was being accomplished. A member asked for and received clarification concerning Kleen and the

configuration change. Dr. Chadalavada noted the ISO had not had any formal communication with Kleen, but expected to hear from them in April as part of the regular FCM qualification process.

Dr. Chadalavada stated the ISO had not performed any analysis to understand the impacts of removal of either Kleen or Vermont Yankee from the transmission grid, either from a markets or transmission planning standpoint, but that would be an area of near-term ISO focus. He further noted that the preliminary data and results of that analysis would be reported at the Reliability Committee, and briefly summarized for the Participants Committee. In response to a member's question, Dr. Chadalavada reported that this additional analysis had not been requested by any Market Participant or regulator, but rather was being done as part of the ISO's regular process to understand the impact of removal of these two units from the system. He explained in response to another question that ISO's particular focus considering FCA4 would be the impact on any proration and the projected status of the system during the 2011/2012 Commitment Period, when Kleen was scheduled to come on-line. Several members questioned whether, once the Manchester-Scovill Rock 345 kV line was fully reconfigured and back in-service in March, the ISO expected that the out-of-merit dispatch would end. Dr. Chadalavada responded that he did not expect the reconfiguration to cause any out-of-merit costs once the system is restored, but expected that any such out-merit dispatch would be First Contingency.

Turning to operations, Dr. Chadalavada reported that the lowest Winter/Spring Operable Capacity Margin was being calculated for the week beginning May 8, 2010, and that the projected operable capacity was adequate for both the 50/50 reference load and the 90/10 extreme load. Dr. Chadalavada then referred the Committee to a slide that identified the out-of-merit megawatt payments for 2008, 2009 and 2010, as follows: 2008 - \$257 million; 2009 - \$56

million; and to date in 2010 - \$5 million. Dr. Chadalavada opined that the primary cause for the reduction of these payments had been transmission system improvements, which had allowed the ISO to avoid committing out-of-merit resources for Second Contingency protection. He noted that both the absolute level of payments and the out-of-merit MWh had been reduced. He added that a factor in that reduction was the significant decline in fuel prices.

A member asked for clarification on slides that referred to fuel capacity conditions and why there was a 3,000 MW difference between the slides broken out by resource types and the slide breaking down resources by state. The questioner noted that, of those resource types, the ones that seemed to have a higher probability going forward were significantly lower than might be shown as coming on-line in 2010, and questioned how many of the 2010 resources had a Capacity Supply Obligation (CSO) and whether that bore any relationship to the probability of them coming on-line. Dr. Chadalavada responded that the difference between the 2 slides reflected the fact that the type of resources slide captured demand resources, and the resources broken out by state slide did not. As for resource types, he indicated his understanding that the results were based upon where resources were in the interconnection queue process, and there could be no real certainty about the future of those resources prior to their in-service date. He did not believe that fluctuation in the probability of projected generation in the queue coming on-line was materially different between resources with capacity supply obligations and those without. He committed to review that information further and report the results of that review at a subsequent meeting.

Another member asked if an analysis had been done regarding the total costs of all the transmission upgrades versus the reduction in NCPC payments and congestion. Dr. Chadalavada responded that such an analysis had not been done since the primary reason for the transmission

projects was reliability and the resulting reduction in NCPC was just an ancillary benefit. A member noted that Real-Time prices continued to be above Day-Ahead prices and asked whether there was an interrelationship between the two. Dr. Chadalavada stated that he did see a correlation, attributing differences to underlying market fundamentals. In response to a request, Dr. Chadalavada agreed to consider including in future operations reports information about availability and peak demand over time.

Turning back to EIPC efforts, a member requested that the region reach out to the Keystone Center, which was leading stakeholder process developments for the EIPC. He urged that the region coordinate its input in the planning process. Mr. William Nugent, Executive Director of NECPUC, stated that the States' Eastern Interconnection States Planning Council (EISPC) had received grant money and was comprised of 81 members from 39 states, the District of Columbia, and the City of New Orleans. He reported that the first meeting of the EISPC was scheduled for March 25 and 26. He explained that, for organizational purposes, the states were divided into 5 regions, with one being the Northeast Region (comprised of New York and the six New England States). He said that a Nominating Committee, which included New Hampshire Public Utilities Commission Chairman Thomas Getz for the Northeast Region, was considering who would represent the states in the EIPC process. Mr. Forshaw concluded, indicating that a process was being considered to ensure NEPOOL Participants the information and opportunity to provide input into the EIPC process.

PROPOSED NEPOOL COMMENTS ON CREDIT REFORMS NOPR

Ms. Michelle Gardner, NEPOOL counsel, referred the Committee to materials circulated in advance of the meeting concerning NEPOOL's proposed response to the Credit Reform NOPR, including a detailed outline of the proposed comments, which would serve as the guiding

framework for NEPOOL's comments to the FERC. She noted that the outline was based on discussions with the NEPOOL Budget and Finance Subcommittee, which had indicated general support for the outline. She explained that comments on the NOPR were due on March 29, 2010, and that NEPOOL counsel, subject to the review of the Participants Committee Officers and the Chairman of the Subcommittee, would draft comments to the FERC consistent with the outline, and that, before being filed with the FERC, a draft would be provided upon request to any Participant advising NEPOOL counsel of the desire to review the draft comments.

In discussion of the outline, a representative of the Supplier Sector noted opposition to the comments based on unsecured credit issues, and requested an additional opportunity to meet to revise them so that they could better reflect positions of NEPOOL members. She disagreed with the suggestion that the NEPOOL-supported proposal on unsecured credit was a compromise, and asked that this suggestion be removed from the comments. She also requested a more complete description of the alternative proposal vetted by NEPOOL in the previous year.

Another member of the Supplier Sector opined that the comment outline in certain places took positions that NEPOOL should not take. He urged that NEPOOL comments merely report on the existing rules and positions previously voted on and taken by NEPOOL, noting that there was disagreement over proposed changes to the existing rules. He urged that NEPOOL not negotiate new positions on the broader issues raised by the NOPR for the sake of preserving the opportunity to file jointly with the ISO.

A representative of the Generation Sector questioned why the changes regarding the elimination of unsecured credit for most Participants, approved by the Participants Committee in May 2009, had not yet been filed with the FERC. Mr. Hepper responded that the ISO was working to prepare for implementation of those proposed changes, which could not happen until

late 2010. He added further that that the ISO expected to file those changes before the end of the month, the timing of which would not be affected by the issuance of the NOPR. Mr. Doot noted for the Committee that the ISO had reported previously that it could not implement the previously-approved credit changes until December. He reported NEPOOL counsel was working with the ISO to finalize the filing of the unsecured credit changes, and the expectation was that the changes would be filed prior to the filing of Credit Reform NOPR comments.

Several members expressed support for the outline of draft comments, particularly the sections addressing unsecured credit as an accurate reflection of what NEPOOL supported. They urged against delaying a vote on this issue because of the importance of NEPOOL advising the FERC of its positions. They indicated further, in support of moving forward, that everyone would also have an opportunity to comment individually on the substance of NEPOOL's comments and positions on unsecured credit. They urged that, in light of the all the effort on these issues, including NEPOOL's support for the package of changes, NEPOOL's positions on these issues be reported clearly to the FERC. These members had no objection to including a description of the alternative proposal on unsecured credit in the comments provided the discussion was simply factual without expressing the bases for alternative positions.

In response to further questions, Mr. Ludlow confirmed plans to file the previously-approved credit changes within two weeks of the meeting, and that the filing had also been delayed to that point to allow other changes to the Financial Assurance Policy to be filed, accepted, and made effective ahead of the changes approved in May 2009. He further stated that ISO could support the proposed comments as outlined.

Following further discussion and comments by Participants, the Committee determined not to take formal action on this agenda item. The Committee instructed NEPOOL counsel to

reflect in the draft comments the input received at the meeting, and to circulate that draft for members' input and reaction, with the understanding that members would have the opportunity to discuss their input on the comments, and that the comments would be presented to the Committee for formal action if, and as, appropriate. Mr. Doot noted for the Committee that, depending on the final content of the draft, the Participants Committee may not need to vote on the comments if NEPOOL is not staking out any new positions and/or is simply defending that which it has supported in the past.

NEPOOL COMMENTS ON VER NOI

Mr. Calvin Bowie, Chairman of the variable energy resources (VER) Notice of Inquiry (NOI) Working Group, referred the Committee to the materials circulated in advance of the meeting concerning NEPOOL comments developed in response to the FERC's NOI regarding the integration of an increasing number of VERs (such as wind and solar generators) into the electric grid. He explained that the FERC sought comments on its VER NOI to assist in its determination of whether wholesale electricity tariff reforms were necessary, with comments due on or before March 29, 2010. Mr. Bowie reported that the working group had been established at the request of the Participants Committee Chairman to explore whether NEPOOL had comments, and if so, what those comments should be. He reported that interested stakeholders had met twice -- on February 12 and 17 -- to review the VER NOI, to develop an outline of comments, and to revise the outline, which had been circulated in advance of the meeting. He reported that the March 29, 2010 comment deadline had been extended by the FERC to April 12.

Mr. Donald Gates, Chair of the Reliability Committee, reported that the Reliability Committee considered the VER NOI comments at its February 26 meeting and recommended Participants Committee support, with no opposition, and only a few abstentions. Mr. Forshaw

noted the proposed VER NOI comments were also considered by the Markets Committee, without a vote.

Members proceeded to ask questions and provide comments on the draft, with particular concern expressed about the suggestion in the draft concerning treatment of “local” capacity. Mr. Eric Runge, NEPOOL counsel, explained that the working group intended to signal the region’s preference to discourage importation of wind power from non-adjacent Control Areas such as the Midwest. There was discussion generally about how to frame comments on issues that had not yet been vetted through the stakeholder process. Some members encouraged the drafting addressing these issues be accomplished in a neutral way.

Following further discussion and comments, the Committee deferred action on the proposed NEPOOL VER NOI Comments to the April 9, 2010 meeting, with the expectation that NEPOOL counsel would draft comments based on the outline and present the actual comments for a Participants Committee vote.

NEPOOL COMMENTS REGARDING PROPOSED RTO METRICS AND ADDITIONAL INFORMATION

Mr. Paul Peterson, on behalf of the RTO Metrics Working Group, began by commending Mr. Hans Mertens for his assistance in helping to organize and lead the working group. Mr. Peterson then reviewed the substance of the comments contained in the near final draft circulated in advance of the meeting. He further noted that attached to those comments was a consolidated list of preliminary Participant observations (Observations), that the Participants Committee would be not be asked to support or oppose by NEPOOL. He explained that, given the brief time to develop the comments, the Observations were suggested as a means of informing the FERC of, without endorsing, stakeholder positions. He further confirmed that the comments clearly stated that they represented a preliminary regional perspective, which could neither constrain nor

prejudice positions of stakeholders individually, who were free to, and in some cases expected to, file individual comments.

Mr. Michael Harrington, on behalf of NECPUC, noted NECPUC's appreciation for its involvement in the working group process, and its plans to make its own, separate organizational filing on the proposed metrics. He indicated that NECPUC also endorsed the substance of the proposed NEPOOL comments presented to the Committee.

The following motion was duly made and seconded:

RESOLVED, that the Participants Committee supports the comments developed in response to the February 3, 2010 FERC Notice in Docket No. AD10-5 requesting comments on proposed RTO/ISO Performance Metrics, as distributed to the Committee in advance of the March 5, 2010 meeting (the Comments), together with such other non-substantive changes as the Chair or any Vice-Chair of the Committee may approve, and authorizes and directs NEPOOL Counsel to file such Comments with the FERC.

The Committee considered a motion by NGrid to amend the main motion to remove the Observations from the materials to be filed with the FERC. The NGrid representative expressed concern with the precedential effect of including individual and unattributed observations in NEPOOL comments that NEPOOL itself did not support or endorse. In response, Mr. Doot explained that the form here was unusual and chosen in light of (1) the very brief period of time in which to collect comments, which was not typical, and (2) the development of comments without the benefit of a specific technical committee to consider, discuss and vote a recommendation with respect to the issues. He explained that these facts could fairly distinguish the approach of including separate member observations, in addition to NEPOOL organizational positions, in the filing.

The motion to amend was then voted and failed.

The unamended main motion was then voted and unanimously approved, with abstentions noted by Brookfield, CSC, LIPA, MA AG, and the NHOCA.

REVISIONS TO OPERATING AND PLANNING PROCEDURES (NERC NUCLEAR PLANT OPERATOR AND TRANSMISSION ENTITY COORDINATION REQUIREMENTS)

Mr. Gates then referred the Committee to materials circulated in advance of the meeting, explaining that the proposed revisions to the operating and planning procedures would bring them into line with NERC requirements for coordination between nuclear plant operators and transmission entities. He reported that the Reliability Committee, at its February 26, 2010 meeting, had discussed and voted unanimously to recommend Participants Committee support for the changes.

The following motion was duly made, seconded, and unanimously approved:

RESOLVED, that the Participants Committee supports the revisions to the following ISO New England Operating Procedures (OPs) and Planning Procedures (PPs) that bring those Procedures into accord with NERC requirements for coordination between nuclear plant operators and transmission entities, as recommended by the Reliability Committee and circulated to this Committee in advance of this meeting, together with such other non-substantive changes as the Chair and Vice-Chair of the Reliability Committee may approve:

- OP 1 Appendix A (Central Dispatch Operating Responsibility and Authority of ISO New England, the Local Control Centers and Market Participants)
- OP 14 (Technical Requirements for Generators, Demand Resources and Asset Related Demands), including Appendix 14A (Explanation of Terms and Instructions for Data Preparation of ISO New England Form NX-12, Generator Technical Data)
- PP 3 (Reliability Standards for the New England Area Bulk Power Supply System)
- PP 5-1 (Procedure for Review of Governance Participant's Proposed Plans (Section I.3.9 Applications: Requirements, Procedures and Forms))
- PP 5-3 (Guidelines for Conducting and Evaluating Proposed Plan Application Analysis).

COMPLIANCE AMENDMENT TO SECTION 12.9 OF MARKET RULE 1

Mr. Gates then referred the Committee to materials circulated in advance of the meeting concerning the February 12 FERC order in the so-called “Jump Ball” proceeding regarding alternative amendments to Section 12.9 of Market Rule 1 (Docket No. ER10-438). That order required the inclusion of language in Section 12.9 of Market Rule 1 along the following lines:

[B]y December 31, 2010, the ISO shall review with Market Participants and, as necessary, file proposed market rule amendments reflecting a methodology for tie benefit calculations to apply to future third annual reconfiguration auctions beginning with the third annual reconfiguration auction for the 2012/2013 Capacity Commitment Period.¹

Mr. Gates further noted that an amendment to Market Rule 1 to respond to this requirement must be filed by March 12, 2010, and reported that the Reliability Committee voted unanimously to recommend Participants Committee support for that amendment at its February 26 meeting.

The following motion was then duly made, seconded, and unanimously approved, with abstentions noted by ConEd, CSC, CT OCC, LIPA, MA AG, NH OCA, and NSTAR:

RESOLVED, that the Participants Committee supports the proposed amendment to Section 12.9 of Market Rule 1 in response to the requirements of the February 12 order in FERC Docket No. ER10-438, as recommended by the Reliability Committee and as distributed to the Participants Committee for its March 5, 2010 meeting.

TOWN OF NEW SHOREHAM, RI MEMBERSHIP APPLICATION

Mr. Patrick Gerity, NEPOOL Counsel to the Membership Subcommittee, then referred the Committee to the materials circulated in advance of the meeting regarding the application by the Town of New Shoreham, RI for membership in NEPOOL as an End User Organization. He explained that, although the Town qualified as an End User Organization pursuant to Section

¹ February 12 Order at P 79.

1.21 of the Second Restated NEPOOL Agreement, a Subcommittee member had expressed precedential concerns with the Town's application. Because that Subcommittee acts only by consensus under the authority delegated to it by the Participants Committee, he explained further, Participants Committee action on the Town's application was required.

Mr. William P. Short III then summarized the reasons for his objection at the Subcommittee meeting to the Town's membership in the End User Sector, as further described in the memo circulated in advance of the meeting, and his request for direction to the Subcommittee to establish criteria making the Town eligible for membership in the AR, rather than the End User Sector. Those reasons included (i) a concern that approving the Town's membership could establish a precedent for small towns, with large generators in their town, and thereby potentially subject to undue influence in their NEPOOL participation by such generator's interests, to consider joining as Governance Only End Users, (ii) the impact of the Deepwater Wind project on the Town and the arrangement under which Deepwater Wind was subsidizing the Town's costs of participating in on-going project-related proceedings before the Rhode Island Public Utilities Commission, and (iii) an objection to the End User Sector being used as the Sector for such organizations.

Following discussion and comment by the Committee, the following motion was then duly made, seconded, and approved, with opposition by the Large Market Participant End Users present at the meeting -- 511 Plaza, Corinth Wood Pellets, Dragon Products, Elektrisola, Fairchild Semiconductor, Food City, Hardwood Products, Lavalley Lumber, Maine Woods Pellet, Marden's, PalletOne, Quality Egg, RJF - Morin Brick, Robbins Lumber, St. Anselm College, St. Joseph Health Services of RI, Westerly Hospital, Whole Foods Market, and Z-TECH:

RESOLVED, that the Participants Committee approves the membership Application of the Town of New Shoreham, Rhode Island (“Block Island”) subject to the following conditions: (i) that the applicant sign and return the Standard Membership Conditions, Waivers and Reminders acceptance letter; (ii) that the ISO and NEPOOL counsel find the Application complete; and (iii) that the applicant execute an Indemnification Agreement.

ACKNOWLEDGEMENT OF ROBERT GAGLIARDI

Mr. Forshaw announced that this would be the last meeting for Mr. Robert Gagliardi, a long-serving representative of The United Illuminating Company (UI), as he was retiring from UI the following week. On behalf of the Participants Committee, Mr. Forshaw expressed its gratitude for Mr. Gagliardi’s many years of service to the Pool, and wished him well upon his retirement from UI.

LITIGATION REPORT

Mr. Doot referred the Committee to the Litigation Report and to materials circulated in advance of the meeting. He noted that the responsive testimony submitted in the Capacity Import proceedings had been separately summarized and included with the materials circulated for the meeting. He concluded by noting that the Report continued to reflect an intense level of activity and encouraging anyone with questions on the Report to raise them with any member of the NEPOOL counsel team.

COMMITTEE REPORTS

On behalf of the Joint Nominating Committee, Mr. Forshaw reported that a search firm had been retained to assist the Committee with the identification of potential Board candidates. He indicated that the Committee hoped to present a slate for Participants Committee approval

either at the April or May 2010 meeting, with the ISO Board scheduled to act on the final slate of candidates at its September 2010 meeting.

OTHER BUSINESS

Mr. Doot then discussed the calendar for March and April that had been distributed at the meeting. He noted the next Participants Committee meeting was scheduled for April 9 at the Colonnade Hotel in Boston, MA. Looking ahead, had asked Participants to mark their calendars for the 2010 Summer Meeting scheduled for June 22-23, with a welcome reception on Monday, June 21, at the Water's Edge Resort and Spa in Westbrook, Connecticut.

There being no further business, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,

David T. Doot, Secretary

**MEMBERS AND ALTERNATES ATTENDING
MARCH 5, 2010 PARTICIPANTS COMMITTEE MEETING**

PARTICIPANT NAME	SECTOR	MEMBER NAME	ALTERNATE NAME	PROXY
511 Plaza LP	End User	William P. Short III		
Ashburnham Municipal Light Plant	Publicly Owned		Gary Will	
Associated Industries of Massachusetts	End User			Paul Peterson
Bangor Hydro-Electric Company	Transmission	Jeffrey Jones		
Boylston Municipal Light Department	Publicly Owned		Gary Will	
BP Energy Company	Supplier			Nancy Chafetz
Brookfield Energy Marketing /Cross-Sound Cable (CSC)	Supplier	Nicolas Bosse (tel)		Jose Rotger
Central Maine Power Company	Transmission	Eric Stinneford (tel)		
Chicopee Municipal Lighting Plant	Publicly Owned		Gary Will	
Concord Municipal Light Plant	Publicly Owned		Gary Will	
Connecticut Municipal Electric Energy Coop.	Publicly Owned	Brian Forshaw		
Connecticut Office of Consumer Counsel (CT OCC)	End User		Richard Steeves	Paul Peterson
Conservation Law Foundation	End User	Seth Kaplan		
Conservation Services Group (CSG)	AR	Doug Hurley		
Consolidated Edison Energy, Inc. (ConEd)	Supplier	Jeff Dannels (tel)		
Constellation Energy Commodities Group, Inc.	Supplier	Dan Allegratti		
Corinth Wood Pellets	End User			William P. Short III
CPower, Inc.	AR	Janette Dudley (tel)		
DC Energy, LLC	Supplier	Bruce Bleiweis		
Dominion Energy Marketing, Inc.	Generation	Ron Hart (tel)		
Dragon Products Company LLC	End User			William P. Short III
Dynegy/Calpine	Supplier	Glenn Haake		
Edison Mission Marketing and Trading	Supplier	Raymond Stalter (tel)		
Elektrisola, Inc.	End User			William P. Short III
Energy America, LLC	Supplier	Ron Carrier (tel)		Nancy Chafetz
Energy Plus Holdings	Supplier	Brigitte Addimando (tel)		
EnerNOC, Inc.	AR	Herb Healy		
Fairchild Semiconductor Corporation	End User			William P. Short III
Food City, Inc.	End User			William P. Short III
Gas Recovery Systems, LLC (GRS)	AR		Doug Hurley	
GDF SUEZ Energy Marketing NA/FirstLight	Supplier		Thomas Kaslow	
Groton Electric Light Department	Publicly Owned		Gary Will	
H.Q. Energy Services (U.S.) Inc.	Supplier		Robert Stein	
Hardwood Products Company	End User			William P. Short III
Harvard Dedicated Energy Limited	End User			Paul Peterson
Hess Corporation	Supplier		Kevin Laguardia	Nancy Chafetz
Holden Municipal Light Department	Publicly Owned		Gary Will	
Holyoke Gas & Electric Department	Publicly Owned			Gary Will
Hudson Light and Power Department	Publicly Owned		Gary Will	
Hull Municipal Lighting Plant	Publicly Owned		Gary Will	
Ipswich Municipal Light Department	Publicly Owned		Gary Will	
Integrus Energy Services Inc.	Supplier			Nancy Chafetz
International Power America (ANP Funding I)	Generation	Dorothy Capra		
Lavalley Lumber Co.	End User			William P. Short III
Littleton (NH) Water & Light Department	Publicly Owned		Craig Kienny (tel)	
Long Island Lighting Company (LIPA)	Supplier	William Killgoar		
Maine Woods Pallet Company	End User			William P. Short III
Mansfield Municipal Electric Department	Publicly Owned		Gary Will	
Marblehead Municipal Light Department	Publicly Owned		Gary Will	
Marden's Inc.	End User			William P. Short III

**MEMBERS AND ALTERNATES ATTENDING
MARCH 5, 2010 PARTICIPANTS COMMITTEE MEETING**

PARTICIPANT NAME	SECTOR	MEMBER NAME	ALTERNATE NAME	PROXY
Massachusetts Attorney General's Office	End User		David Cetola	
Massachusetts Municipal Wholesale Electric Co.	Publicly Owned	Gary Will		
Middleborough Gas and Electric Department	Publicly Owned		Gary Will	
Middleton Municipal Electric Department	Publicly Owned		Gary Will	
Mirant Energy Trading, LLC	Generation	Phil Smith		
New England Power Company	Transmission	Timothy Brennan		
New Hampshire Office of Consumer Advocate (NH OCA)	End User	Paul Peterson		
NextEra Energy Resources, LLC	Generation	Fernando DaSilva		
Northeast Utilities Service Company (NU)	Transmission	Joseph Staszowski	Cal Bowie	
NRG Power Marketing, Inc.	Generation	Pete Fuller		
NSTAR Electric Company	Transmission	James Daly		
PalletOne of Maine	End User			William P. Short III
Paxton Municipal Light Department	Publicly Owned		Gary Will	
Peabody Municipal Light Plant	Publicly Owned		Gary Will	
Pepco Energy Services, Inc.	Supplier			Nancy Chafetz
Pinpoint Power LLC	Supplier	Thomas Atkins		Bob Stein
PPL EnergyPlus	Supplier		Sharon Weber (tel)	
Princeton Municipal Light Department	Publicly Owned		Gary Will	
Provisional Group Member – Generation Sector	Generation		Dennis Duffy	
PSEG Energy Resources & Trade LLC	Supplier	Joel Gordon		
Quality Egg of New England, LLC	End User			William P. Short III
RJF-Morin Brick	End User			William P. Short III
Robbins Lumber, Inc.	End User			William P. Short III
Rowley Municipal Lighting Plant	Publicly Owned		Gary Will	
Sempra Energy Trading Corp.	Supplier			Nancy Chafetz
Shrewsbury Electric & Cable Operations	Publicly Owned		Gary Will	
Small Distributed Generation Group Member	AR	Doug Hurley		
Small Load Response Group Member	AR	Doug Hurley		
Small Renewable Generation Group Member	AR			Doug Hurley
South Hadley Electric Light Department	Publicly Owned		Gary Will	
St. Anselm College	End User			William P. Short III
St. Joseph Health Services of Rhode Island	End User			William P. Short III
Sterling Municipal Electric Light Department	Publicly Owned		Gary Will	
Taunton Municipal Light Department	Publicly Owned		Brian Forshaw	
Templeton Municipal Lighting Plant	Publicly Owned		Gary Will	
The Energy Consortium (TEC)	End User			Paul Peterson
The Energy Council of RI (TEC-RI)	End User			Paul Peterson
TransCanada Power Marketing Ltd.	Generation		Michael Hachey	
Union of Concerned Scientists (UCS)	End User		Paul Peterson	
United Illuminating Company, The	Transmission	Rich Peters	Alan Trotta	Bob Gagliardi
Vermont Electric Cooperative	Publicly Owned	Craig Kienny (tel)		
Vermont Electric Power Company, Inc.	Transmission			Bill Ryan (tel)
Vermont Energy Investment Corporation (VEIC)	AR		Doug Hurley	
Wakefield Municipal Gas and Light Department	Publicly Owned		Gary Will	
West Boylston Municipal Lighting Plant	Publicly Owned		Gary Will	
Westfield Gas & Electric Department	Publicly Owned			Gary Will
Westerly Hospital	End User			William P. Short III
Whole Foods Market Group, Inc.	End User			William P. Short III
ZTECH, LLC	End User			William P. Short III