

To: Participants Committee

From: Marc Lyons, Secretary – Reliability Committee

Date: January 21, 2010

Subject: **ACTIONS OF THE RELIABILITY COMMITTEE**

This memo is to notify the Participants Committee (“PC”) of the actions taken by the Reliability Committee (“RC”) at its January 20, 2010 meeting. All sectors had a quorum.

(Agenda Item 4.0) Tie Benefits Stakeholder Process and Schedule (Main Motion)

Resolved, that the Reliability Committee recommends Participants Committee support for ISO-NE’s proposal to comprehensively review and attempt to resolve all outstanding and identified tie benefits issues (including, without limitation, the so-called "Reserved Issues" specified in Docket No. ER08-41-000) through a NEPOOL stakeholder process in the appropriate NEPOOL committees during 2010 and to make a filing with the Federal Energy Regulatory Commission on or before a date that will allow any related rule or tariff changes to be effective in time for the fifth Forward Capacity Auction (“FCA-5”) covering the 2014-2015 Capacity Commitment Period.

Amendment 1 to the Main Motion Offered by Cross Sound Cable/LIPA

Resolved, that the Reliability Committee recommends Participants Committee support for ISO-NE’s proposal to comprehensively review and attempt to resolve all outstanding and identified tie benefits issues (except as provided below) through a NEPOOL stakeholder process in the appropriate NEPOOL committees during 2010 and to make a filing with the Federal Energy Regulatory Commission on or before a date that will allow any related rule or tariff changes to be effective in time for the fifth Forward Capacity Auction (“FCA-5”) covering the 2014-2015 Capacity Commitment Period; *provided that* the exception to the schedule for this process shall be [one of] the so-called “Reserved Issues” specified in Docket No. ER08-41-000, [namely, the calculation of tie benefits on an individual tie line basis,] which should be addressed by ISO-NE in a filing with the Commission, in accordance with its commitment in Docket No. ER08-41-000, to be filed as soon as practicable to enable any related rule or tariff changes to be effective for the fourth Forward Capacity Auction (“FCA4”) covering the 2013-2014 capacity commitment period.

The motion to amend was voted. The motion failed with a vote of 52.425% in favor. The individual Sector votes were Generation (17.3% in favor, 0.00% opposed, and 4 abstentions), Transmission (4.33 in favor, 12.98% opposed, and no abstentions), Supplier (17.3% in favor, 0.00% opposed, and 5 abstentions), Alternative Resource (13.5% in favor, 0.00% opposed, and 5 abstentions), Publicly Owned (0.00% in favor, 17.3% opposed, and 4 abstentions), End User (0.00% in favor, 17.3% opposed, and 4 abstentions).

The main motion was then voted and failed with a vote of 54.372% in favor. The individual Sector votes were Generation (0.00% in favor, 17.3% opposed, and 4 abstentions), Transmission (17.3 in favor, 0.00%

opposed, no abstentions), Supplier (2.47% in favor, 14.83% opposed, and 3 abstentions), Alternative Resource (0.00% in favor, 13.5% opposed, and 1 abstentions), Publicly Owned (17.3% in favor, 0.00% opposed, no abstentions), End User (17.3% in favor, 0.00% opposed, and 2 abstentions).