

February 28, 2014

Via eTariff Filing

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: New England Power Pool - FERC Docket No. ER14- _____ -000
NEPOOL Member Applications and Termination of NEPOOL Membership

Dear Secretary Bose:

The New England Power Pool (“NEPOOL”) Participants Committee¹ hereby submits this transmittal letter electronically along with counterpart signature pages of the New England Power Pool Agreement, dated as of September 1, 1971, as amended (“Second Restated NEPOOL Agreement”) executed by the following Entities:

- Enerwise Global Technologies Inc. (“Enerwise”); and
- Pacific Summit Energy, LLC (“Pacific Summit”)

Also included are materials supporting the involuntary termination of the membership of the following Participant:

- A123 Systems, Inc. (“A123”).

These materials are submitted in order (i) to expand NEPOOL membership to include Enerwise and Pacific Summit (together, the “Applicants”), and (ii) to terminate the Participant status of A123.

I. MEMBER APPLICATIONS: Enerwise, Pacific Summit

Enerwise, a wholly-owned direct subsidiary of Comverge, Inc. (“Comverge”), has indicated that it will, in place of Comverge, participate in NEPOOL as an Alternative Resources Provider. Like Comverge before it, Enerwise will participate as a member of the Load Response Sub-Sector of the AR Sector.

Pacific Summit has indicated that it will participate in NEPOOL as a financial marketer/trader (an entity that submits Increment Offers and/or Decrement Bids in the Day-Ahead Energy Market) and as

¹ Capitalized terms used but not defined in this filing are intended to have the same meaning 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-NE”) Transmission, Markets and Services Tariff (“ISO-NE Tariff”).

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a power marketer (an entity that purchases as a principal or as a principal and a broker at wholesale electric energy and capacity for resale to wholesale customers and resells such energy and capacity to wholesale customers in New England). NEPOOL notes that Pacific Summit filed materials for engaging in power marketing activities under market-based rates and those materials were accepted by letter order dated June 24, 2005 in Docket Nos. ER05-743-000 and -001. Pacific Summit has elected to become a member of the Supplier Sector.

II. INVOLUNTARY TERMINATION OF MEMBERSHIP: A123

A123, a Provisional Member, was suspended from the New England Market more than one year ago as a result of a Financial Assurance Default. A123 subsequently failed to pay the amount invoiced to it by ISO-NE in February 2013 and has therefore also been in a Payment Default for over one year. A123 has not cured either its Financial Assurance or Payment Default. In light of the foregoing, and specifically given the passage of time since A123's suspension, it is clear that A123 cannot reasonably be expected to cure either of its Defaults or otherwise fully discharge its NEPOOL payment obligations.

In accordance with Section 16.1(d) of the Second Restated NEPOOL Agreement and the Termination Protocol, the ISO-NE Vice President & Chief Financial and Compliance Officer recommended to the Chair of the Membership Subcommittee that termination proceedings be initiated against A123 (*see* Attachment 6). The Membership Subcommittee Chairman directed the undersigned to initiate the termination of the Participant status of A123. If the A123 termination is accepted for filing by the Commission, A123's status as a NEPOOL and Market Participant will be terminated and A123 will be excused from any further obligations to pay Pool charges and relieved of any further Pool obligations and responsibilities incurred, from and after March 1, 2014.

III. PARTICIPANT NAME CHANGES: Kendall Green, Liberty Utilities (Granite State)

The list of NEPOOL Participants included as Attachment 1 has also been modified to reflect the change in name for the following Participants:

<u>New Participant Name</u>	<u>Former Participant Name</u>
Kendall Green Energy LLC	NRG Kendall LLC
Liberty Utilities (Granite State Electric) Corp.	Granite State Electric Company

IV. REQUESTED EFFECTIVE DATE

Applicants have each requested expedited consideration of their membership applications. Expedited consideration of the termination of the Participant status of A123 is also requested. Accordingly, the NEPOOL Participants Committee requests that the Commission waive any applicable notice requirements to permit the following effective date:

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- **March 1, 2014** for the NEPOOL memberships of Enerwise and Pacific Summit and the termination of the Participant status of A123.²

The NEPOOL Participants Committee further requests that the eTariff record effective date be set as of March 1, 2014.³

V. ADDITIONAL SUPPORTING INFORMATION

The NEPOOL Participants Committee has the authority, pursuant to Section 3.1 of the Second Restated NEPOOL Agreement and Sections 8.1.3(f) and (g) of the Participants Agreement, to act on an Entity's application to become a Participant in NEPOOL. By delegation of authority, the Participants Committee has authorized the Membership Subcommittee to approve applications and terminations which will be subject to the standard conditions, waivers and reminders established by the Participants Committee. The Membership Subcommittee has reviewed the materials submitted by Applicants and has approved Applicants for membership in NEPOOL. Termination of the Participant status of A123 has, as noted above, been recommended and directed. Accordingly, the following materials are submitted herewith for filing:

- The list of NEPOOL Participants from the Second Restated NEPOOL Agreement, which has been marked to show the addition of Applicants to, the removal of A123 from, and the name change identified in Section III in, the list of NEPOOL Participants (Attachment 1);
- The counterpart signature page to the NEPOOL Agreement executed by Enerwise (Attachment 2);

² To the extent the Commission determines that certain filing requirements have not been met fully, the NEPOOL Participants Committee respectfully requests waiver of such requirements in order for the Participant status of Applicants, and the termination of the Participant status of A123, and the name changes identified in Section III, to be accepted as of March 1, 2014. No party will be adversely affected by the waivers requested in these circumstances.

³ The Commission has relieved NEPOOL of the requirement to file changes to the NEPOOL Agreement in tariff format. *ISO New England, Inc. and New England Power Pool*, 95 FERC ¶ 61,384 at 62,441-42 (2001). Accordingly, the NEPOOL Agreement has not been filed formally as an eTariff pursuant to Order No. 714. However, proposed changes to the NEPOOL Agreement are still required to be filed with the Commission with enough information provided to permit the Commission to view the proposed changes in the context of the composite Agreement, *Id.* at 62,442. As a matter of administrative efficiency and convenience, these materials, including Attachment 1 included herewith marked to show the addition of Applicants to, the removal of A123 from, and the name changes identified in Section III in, the list of NEPOOL Participants, were submitted using the Commission's eTariff system. A composite list of NEPOOL Participants is posted on the NEPOOL website at: http://www.nepool.com/uploads/C-list_of_nepool_participants.pdf. A composite copy of the Second Restated NEPOOL Agreement is posted at: http://www.nepool.com/uploads/Op-2d_RNA.pdf.

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- A letter from NEPOOL to Enerwise dated December 17, 2013 confirming the approval of Enerwise's application for membership, and Enerwise's acceptance of the conditions and waivers by countersignature dated December 20, 2013 (Attachment 3);
- The counterpart signature page to the NEPOOL Agreement executed by Pacific Summit (Attachment 4);
- A letter from NEPOOL to Pacific Summit dated November 30, 2013 confirming the approval of Pacific Summit's application for membership, and Pacific Summit's acceptance of the conditions and waivers by countersignature dated December 2, 2013 (Attachment 5);
- Letter from Robert Ludlow, ISO-NE Vice President & Chief Financial and Compliance Officer, to Michael Lynch, Membership Subcommittee Chairman, recommending termination of A123 (Attachment 6);
- Termination Protocol as adopted by the Participants Committee (Attachment 7); and
- A list of governors and utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont to which a copy of this filing has been sent (Attachment 8).

The materials filed herewith do not change the NEPOOL Agreement as previously filed with the Commission, other than to make Applicants additional Participants, and to terminate the Participant status of A123, in NEPOOL. Therefore, no comparisons of the transactions and revenues or cost data are submitted. No estimates of future transactions and revenues relating to participation by Applicants in NEPOOL are submitted because they cannot be made with any reasonable accuracy. Existing facilities are sufficient for service to Applicants. Accordingly, no additional facilities are to be installed or modified by the Participants in order for Applicants to become Participants in NEPOOL pursuant to the Second Restated NEPOOL Agreement.

An electronic copy of this filing has been furnished to all the members and alternates of the Participants Committee, which represent all of the electric utilities rendering or receiving service under the ISO-NE Tariff,⁴ as well as each of the independent power producers, power marketers, power brokers, load aggregators, customer-owned utility systems, merchant transmission providers, developers, and end users that are currently Participants in the Pool. This transmittal letter and the accompanying materials have also been sent to the governors and electric utility regulatory agencies for the six New England states which comprise the New England Control Area, to the New England Conference of Public Utilities Commissioners, Inc., and to the Executive Director of the New England States Committee on Electricity.

⁴ The Commission approved the settlement agreement pursuant to which the regional transmission organization for New England (the "RTO") was established. *ISO New England Inc. et al.*, 109 FERC ¶ 61,147 (2004). Activation of the RTO was noticed in accordance with the settlement agreement and became effective on Feb. 1, 2005. *See also* Order Authorizing RTO Operations, *ISO New England Inc. et al.*, 110 FERC ¶ 61,111 (2005).

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Correspondence and communications regarding this filing should be addressed as follows:

Audra Perry
New England Membership Application Coordinator
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: 413-535-4169
Fax: 413-540-4680
E-mail: aperry@iso-ne.com

Patrick M. Gerity, Esq.
Counsel, NEPOOL Participants Committee
Day Pitney LLP
242 Trumbull Street
Hartford, CT 06103-3499
Tel: 860-275-0533
Fax: 860-881-2505
E-mail: pmgerity@daypitney.com

Respectfully submitted,

NEPOOL PARTICIPANTS COMMITTEE

By: 
Patrick M. Gerity
Its Counsel

Attachments

cc: Applicants
NEPOOL Participants Committee Members and Alternates
Governors, Utility Regulatory Agencies, and others identified on Attachment 8

ATTACHMENT 1

Participant Name	Effective Date of Membership if after 6/30/2000
511 Plaza, LP	4/1/2006
511 Plaza Energy, LLC	4/1/2006
A123 Systems, Inc.	1/1/2011
Abest Power & Gas, LLC	2/1/2013
Acushnet Company	6/1/2010
Advanced Power Services (NA) Inc.	9/1/2007
Aequitas Energy, Inc.	9/1/2012
Algonquin Energy Services Inc	5/1/2010
Ambit Northeast LLC	5/1/2012
Ameresco CT LLC	2/1/2010
Ameresco DR, LLC	6/1/2010
American PowerNet Management, LP	12/1/2009
Ampersand Energy Partners LLC	1/1/2008
Ansonia Generation, LLC	9/1/2007
Anthony, Christopher M.	6/1/2011
Ashburnham Municipal Light Plant	
Associated Industries of Massachusetts	
Backyard Farms, LLC	9/1/2009
Backyard Farms Energy, LLC	9/1/2009
Barclays Bank PLC	11/1/2004
BBPC LLC d/b/a Great Eastern Energy	4/1/2012
Beacon Power, LLC	5/1/2012
Bear Swamp Power Company LLC	6/1/2005
Belmont Municipal Light Department	
Berkshire Power Company, LLC	9/1/2006
Berlin Station, LLC	10/1/2011
Black Bear HVGW, LLC	12/1/2010
Black Bear Hydro Partners, LLC	9/1/2009
Black Bear SO, LLC	10/1/2013
Blackstone Hydro, Inc.	12/1/2004
Blue Pilot Energy, LLC	4/1/2011
Blue Sky East, LLC	8/1/2012

Participant Name	Effective Date of Membership if after 6/30/2000
East Avenue Energy LLC	3/1/2008
EDF Trading North America, LLC	10/1/2009
Edison Mission Marketing & Trading, Inc.	9/1/2000
Electricity Maine, LLC	10/1/2010
Electricity N.H., LLC d/b/a E.N.H. Power	5/1/2012
Elektrisola, Inc.	1/1/2008
Eligo Energy, LLC	1/1/2014
eKapital Investments LLC	2/1/2014
Emera Energy Services Subsidiary No. 1 LLC	5/1/2007
Emera Energy Services Subsidiary No. 2 LLC	6/1/2007
Emera Energy Services Subsidiary No. 3 LLC	6/1/2007
Emera Energy Services Subsidiary No. 4 LLC	6/1/2007
Emera Energy Services Subsidiary No. 5 LLC	10/1/2010
Emera Energy Services Subsidiary No. 6 LLC	1/1/2014
Emera Energy Services Subsidiary No. 7 LLC	1/1/2014
Emera Energy Services Subsidiary No. 8 LLC	1/1/2014
Emera Maine, Inc.	
EMI Power Systems, LLC	5/1/2009
Energy America, LLC	
Energy Curtailment Specialists, Inc.	6/1/2010
Energy Management, Inc.	2/1/2001
Energy New England LLC	
Energy Federation Inc.	2/1/2006
Energy Plus Holdings LLC	5/1/2009
Energy.Me Midwest, LLC d/b/a energy.me	8/1/2013
EnergyConnect, Inc.	2/1/2012
EnerNOC, Inc.	5/1/2005
<u>Enerwise Global Technologies Inc.</u>	<u>3/1/2014</u>
Entergy Nuclear Power Marketing LLC	4/1/2006
EnvvaPower, Inc.	9/1/2008
Environment Northeast	9/1/2012
EquiPower Resources Management, LLC	11/1/2010
Essential Power, LLC	8/1/2013
Essential Power Massachusetts, LLC	7/1/2008
Essential Power Newington, LLC	7/1/2008
ESI Northeast Energy GP, Inc.	
ETC Endure Energy, LLC	4/1/2009
Ethical Electric, Inc.	1/1/2013
Evergreen Wind Power III, LLC	7/1/2008
EverPower Commercial Services LLC	2/1/2013
Exelon Generation Company, LLC	2/1/2013

Participant Name	Effective Date of Membership if after 6/30/2000
Fairchild Energy, LLC	12/1/2005
Fairpoint Energy, LLC	3/1/2012
First Point Power, LLC	1/1/2010
First Wind Energy Marketing, LLC	11/1/2009
FirstLight Power Resources Management, LLC	10/1/2006
Fitchburg Gas and Electric Light Company	
Food City, Inc.	3/1/2008
Footprint Power LLC	1/1/2012
Footprint Power Salem Harbor Development	11/1/2013
FPL Energy Mason, LLC	
FPL Energy Wyman, LLC	
FPL Energy Wyman IV, LLC	
Freedom Ring Communications, LLC d/b/a BayRing Communications	1/1/2013
Freepoint Commodities, LLC	6/1/2012
Gallop Power Greenville, LLC	4/1/2010
Galt Power Inc.	8/1/2010
Garland Manufacturing Company	3/1/2008
Garland Power Company	3/1/2008
Gas Recovery Systems, LLC	6/1/2005
GDF SUEZ Energy Marketing North America, Inc.	7/1/2009
Genbright, LLC	1/1/2014
GenConn Energy LLC	7/1/2008
GenOn Energy Management, LLC	6/1/2005
Georgetown Municipal Light Department	
Glacial Energy of New England, Inc.	11/1/2006
Granite Reliable Power, LLC	4/1/2010
Granite Ridge Energy, LLC	12/1/2001
Granite State Electric Company	
Great Bay Energy IV LLC	9/1/2012
Great Bay Power Marketing, Inc.	12/1/2002
Green Berkshires, Inc.	4/1/2008
Green Mountain Energy Company	6/1/2011
Green Mountain Power	
Groton Electric Light Department	
Groveland Electric Light Department	1/1/2009
Gulf Oil Limited Partnership	11/1/2010

Participant Name	Effective Date of Membership if after 6/30/2000
J. Aron & Company	1/1/2002
J.F. Gray & Associates, LLC	7/1/2000
J.P. Morgan Ventures Energy Corporation	11/1/2005
Just Energy (U.S.) Corp.	1/1/2010
<u>Kendall Green Energy, LLC</u>	
Kennebec River Energy, LLC	9/1/2005
Kimberly-Clark Corporation	4/1/2008
Kleen Energy Systems, LLC	9/1/2007
LaBree's, Inc.	6/1/2005
LaBree's Energy, LLC	6/1/2005
Liberty Power Delaware LLC	1/1/2007
Liberty Power Holdings, LLC	11/1/2006
<u>Liberty Utilities (Granite State Electric) Corp.</u>	
Lincoln Paper and Tissue, Inc.	3/1/2005
Linde Energy Services, Inc.	10/1/2003
Littleton (MA) Electric Light Department	
Littleton (NH) Water and Light Department	6/1/2004
Long Island Lighting Company d/b/a LIPA	10/1/2001
Longfellow Wind, LLC	7/1/2008

Participant Name	Effective Date of Membership if after 6/30/2000
Narragansett Electric Company	
Negawatt Business Solutions	7/1/2013
NEPM II, LLC	3/1/2012
New Brunswick Energy Marketing Corporation	12/1/2008
New England Confectionery Company Inc.	12/1/2008
New England Independent Transmission Company, LLC	10/1/2007
New England Power Company	
New England Wire Technologies Corporation	6/1/2005
New Hampshire Electric Cooperative, Inc.	
New Hampshire Industries, Inc.	9/1/2003
New Hampshire Office of Consumer Advocate	12/1/2001
New Hampshire Transmission, LLC	6/1/2010
New York State Electric & Gas, Inc.	8/1/2000
NextEra Energy Power Marketing, LLC.	
NextEra Energy Maine, Inc.	10/1/2010
NextEra Energy Resources, LLC	
NextEra Energy Seabrook LLC	10/1/2010
Noble Americas Energy Solutions LLC	8/1/2002
Noble Americas Gas & Power Corp.	5/1/2010
Noble Environmental Power, LLC	10/1/2007
North America Power Partners LLC	6/1/2010
North American Power and Gas, LLC	1/1/2010
North Attleborough Electric Department	
North Eastern States, Inc.	5/1/2013
Northern States Power Company	9/1/2005
Norwalk Power LLC	
Norwood Municipal Light Department	
NRG Canal, LLC	
NRG Kendall, LLC	
NRG Power Marketing, LLC	
NSTAR Electric Company	
Number Nine Wind Farm LLC	9/1/2010
Nxegen, LLC	6/1/2012
NYSEG Solutions, Inc.	
Oasis Power, LLC d/b/a Oasis Energy	1/1/2014
OBE Electric, LLC	9/1/2012
Ontario Power Generation Energy Trading, Inc.	5/1/2011
Ontario Power Generation Inc.	2/1/2006
Open Book Energy, LLC	9/1/2010
Order of St. Benedict of New Hampshire, d/b/a St. Anselm College	2/1/2005

Participant Name	Effective Date of Membership if after 6/30/2000
<u>Pacific Summit Energy, LLC</u>	<u>3/1/2014</u>
PalletOne Energy LLC	4/1/2008
PalletOne of Maine	4/1/2008
Palmco Power CT, LLC	7/1/2009
Palmco Power MA, LLC	3/1/2012
Parkview Adventist Medical Center	1/1/2005
Parkview AMC Energy, LLC	1/1/2005
Pascoag Utility District	
Patriot Partnership LLC	3/1/2008
Pawtucket Power Holding Company	6/1/2007
Paxton Municipal Light Department	
Peabody Municipal Light Plant	
People's Power and Gas LLC	6/1/2011
Perigee Energy, LLC	9/1/2012
Pioneer Hydro Electric Co., Inc.	11/1/2013
Plainfield Renewable Energy, LLC	5/1/2009
Plymouth Rock Energy, LLC	1/1/2012
PNE Energy Supply LLC	6/1/2011
Power Bidding Strategies, LLC	1/1/2006
Powerex Corp.	8/1/2003
PowerOptions, Inc.	
Power Supply Services, LLC	10/1/2013
PPL EnergyPlus Co.	
Praxair, Inc.	
Princeton Municipal Light Department	8/1/2007
Provider Power CT, LLC	7/1/2013
Provider Power Mass, LLC	5/1/2013
PSEG Energy Resources & Trade LLC	11/1/2000
PSEG New Haven LLC	2/1/2012
Public Power, LLC	4/1/2010
Public Service Company of New Hampshire	
Putnam Hydropower, Inc.	3/1/2010
Rainbow Energy Marketing Corporation	7/1/2003
RBC Energy Services LP	4/1/2008
Reading Municipal Light Plant	
Record Hill Wind LLC	7/1/2008
ReEnergy Sterling CT Limited Partnership	3/1/2011
ReEnergy Stratton Energy LLC	12/1/2004
Reliant Energy Northeast LLC	5/1/2011
REP Energy LLC	9/1/2010
Repsol Energy North American Corporation	11/1/2011
ResCom Energy LLC	11/1/2009

ATTACHMENT 2

COUNTERPART SIGNATURE PAGE
NEW ENGLAND POWER POOL AGREEMENT

IN WITNESS WHEREOF, the undersigned has caused this counterpart signature page to the New England Power Pool Agreement, being dated as of September 1, 1971, as amended, to be executed by its duly authorized representative as of November 8, 2013.

ENERWISE GLOBAL TECHNOLOGIES, INC

By: _____



Name: John Horton

Title: EVP & Chief Financial Officer

Company: ENERWISE GLOBAL TECHNOLOGIES, INC

Address: 5390 Triangle Parkway, Suite 300

Norcross, GA 30092

ATTACHMENT 3



NEW ENGLAND POWER POOL

Michael Lynch, Chair
NEPOOL Membership Subcommittee

December 17, 2013

John Driscoll
Account Manager, New England
Enerwise Global Technologies, Inc.
1 Commonwealth Executive Dr., Ste 225
Burlington, MA 01803
jdriscoll@comverge.com

Re: Application for NEPOOL Membership

Dear John:

The request of Enerwise Global Technologies, Inc. (“Enerwise”) to become a Participant¹ in the New England Power Pool (“NEPOOL”) was approved by the NEPOOL Participants Committee Membership Subcommittee at its December 16, 2013 meeting, subject to the applicable understandings, including those which are reflected in the attachment to this letter.

Please confirm Enerwise’s acceptance of NEPOOL’s Standard Membership Conditions, Waivers and Reminders by signing a copy of this letter and returning it, *along with a copy of the Standard Membership Conditions, Waivers and Reminders*, to:

Audra Perry
New England Membership Coordinator
c/o ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Fax: 413-535-4156
E-mail: aperry@iso-ne.com

I understand that Enerwise intends to operate in New England as an AR Provider, electing to be a member of the Alternative Resource Sector’s Load Response Sub-Sector. Your signature on the enclosed duplicate copy of this letter will also serve to confirm that understanding.

I have been instructed to remind Enerwise of the following obligations which are common to all NEPOOL Participants that are AR Providers:

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

- (1) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff, and these conditions and waivers;
- (2) each Participant is obligated to conform to any future changes in NEPOOL requirements;
- (3) each Participant is obligated to comply with all governmental, regulatory or other legal requirements which must be satisfied as a condition to its participation in NEPOOL or the New England Markets, or which may be otherwise applicable to such participation;
- (4) each Participant is obligated to pay an allocated portion of certain NEPOOL and ISO costs in accordance with the Second Restated NEPOOL Agreement, the Participants Agreement, and the Tariff;
- (5) each Participant is obligated to pay its monthly share of Participant Expenses by the payment date as specified in the Billing Policy (or any successor rule or procedure), which is currently the third Business Day after the issuance of the first weekly statement issued after the tenth of a calendar month (the Monthly Statement due date) but may be subject to change. If a Participant is delinquent two or more times within any period of 12 months in paying on time its share of Participant Expenses or other Hourly or Non-Hourly Charges, such Participant shall pay, in addition to interest on each late payment, a late payment charge for its second failure to pay on time, and for each subsequent failure to pay on time within the same 12-month period (a "Late Payment Charge") in an amount equal to the greater of (i) two percent (2%) of the total amount of such late payment or (ii) \$1,000.
- (6) each Participant is obligated to meet the requirements specified in the Billing Policy on file with the FERC as it may be amended from time to time (Participants are encouraged to regularly review the Billing Policy for any changes to the billing and payment dates or procedures; the far-reaching consequences of the failure to pay all or any part of an amount due when and as due are set forth in the Billing Policy);
- (7) each Participant is obligated to meet the requirements specified in the Financial Assurance Policies on file with the FERC as they may be amended from time to time;
- (8) each Participant is required to submit information to the ISO from time to time, as is necessary to enable the ISO to meet its obligations, concerning any entity owned 10% or more by the Participant or any entity which owns 10% or more of the Participant, including upon a change in ownership or control of the Participant any such entity;

- (9) each Participant, except a Governance Only Member, has the obligation to assure for each transaction that it has identified transmission facilities required to accomplish such transaction and has made appropriate arrangements with the ISO or the owners of such transmission facilities, as appropriate, for use of such facilities; and
- (10) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff and any other agreement that NEPOOL or the ISO administers and, except a Governance Only Member, to verify that satisfactory transmission arrangements have been made for each transaction.

Upon receipt of this countersigned letter, NEPOOL expects to make the necessary filings with the Federal Energy Regulatory Commission in order for Enerwise's application to become effective.

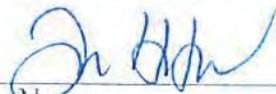
Very truly yours,



Michael J. Lynch
Chair, Membership Subcommittee
of the NEPOOL Participants Committee

Accepted and approved:

Enerwise Global Technologies, Inc.

By: 
Name: _____
Its: _____

Dated: 12/20/13

Enclosure

STANDARD MEMBERSHIP CONDITIONS, WAIVERS AND REMINDERS

WHEREAS, an applicant (“Applicant”) for membership in the New England Power Pool (“NEPOOL”) may be one or more of the following types of entities: a **“load aggregator,”** which is considered for this purpose to be an entity that purchases at wholesale electric energy and capacity for resale to retail customers and resells such energy and capacity to retail customers in New England; a **“power marketer,”** which is considered for this purpose to be an entity that purchases as a principal or as a principal and a broker at wholesale electric energy and capacity for resale to wholesale customers and resells such energy and capacity to wholesale customers in New England; a **“financial marketer/trader,”** which is considered for this purpose to be an entity that submits Increment Offers and/or Decrement Bids in the Day-Ahead Energy Market; an **“exempt wholesale generator”** or **“EWG,”** which is considered for this purpose to be an entity granted such status by the Federal Energy Regulatory Commission under the Public Utility Holding Company Act of 2005, as amended (“PUHCA 2005”), pursuant to which it is required to be engaged “exclusively in the business of owning or operating, or both owning and operating, all or part of one or more eligible facilities and selling electric energy at wholesale”; an entity which owns a **“qualifying facility”** or **“QF,”** which is considered for this purpose to be an entity within the meaning of the Public Utility Regulatory Policies Act of 1978 (“PURPA”) or an **“eligible facility”** within the meaning of the PUHCA 2005; an **“independent power producer”** or **“IPP,”** which is considered for this purpose to be an entity other than an EWG or QF whose exclusive business is owning or owning and operating all or a part of one or more generating facilities and selling electric energy at wholesale or retail; a **“broker,”** which is considered for this purpose to be an entity that acts from time to time for purchasers or sellers in New England in arranging the purchase or sale at wholesale of electric energy and/or capacity; an **“AR Provider,”** which is considered for this purpose to be an entity with a “Substantial Business Interest” in Alternative Resources located within the New England Control Area; or an **“end user,”** which is considered for this purpose to be (a) a consumer of electricity in the New England Control Area that generates or purchases electricity primarily for its own consumption, (b) a non-profit group representing such consumers, or (c) a Related Person of an End User Participant and which (i) is licensed as a competitive supplier under the statutes and regulations of the state in which the End User Participant which is its Related Person is located and (ii) participates in the New England Market solely to serve the load of the End User which is its Related Person.

WHEREAS, effective February 1, 2005 the NEPOOL Agreement was amended by the One Hundred Seventh Agreement Amending New England Power Pool Agreement and restated as the “Second Restated NEPOOL Agreement”; and

WHEREAS, ISO New England Inc. (the “ISO”), has been approved by the Federal Energy Regulatory Commission (“FERC”) as the regional transmission organization (“RTO”) for the New England region consisting of the states of Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont and substantial portions of Maine;

WHEREAS, the ISO will be responsible for maintaining the reliability of the System by, among other things, exercising operational authority over the Transmission Facilities of the System, administering and seeking to enhance sustainable, competitive and efficient energy markets in New England and providing non-discriminatory, open-access transmission service over the Transmission Facilities in accordance with the Participants Agreement, the ISO’s Transmission, Markets and Services Tariff (the “Tariff”), and the System Rules;

WHEREAS, an Applicant that proposes to act as a load aggregator must represent that, if it is permitted to become a Market Participant, it would qualify under existing law and regulation in the one or more New England states where it proposes to act as a load aggregator;

WHEREAS, an Applicant that is qualified to become an End User Participant may elect to be a “Governance Only Member”;

WHEREAS, a duly authorized NEPOOL subcommittee has recommended that certain conditions and waivers be applied to an Applicant in connection with its becoming a Participant in NEPOOL; and

WHEREAS, each Applicant acknowledges that it has reviewed the Second Restated NEPOOL Agreement and the Tariff, including the billing policy and financial assurance policies set forth as Exhibits to Section I of the Tariff, and fully understands its financial obligations that could arise under the Second Restated NEPOOL Agreement and the Tariff from participation in NEPOOL and the New England Markets.

NOW, THEREFORE, an Applicant to become a Participant in NEPOOL shall be required to agree in writing to the following understandings:

Any capitalized terms used in the following understandings (a) through (l) that are not defined in such understandings shall have the same meaning ascribed to them in the Second Restated NEPOOL Agreement, the Participants Agreement or the Tariff, as appropriate. The following understandings (a) through (d) apply to all Applicants:

- (a) Applicant will have an ongoing obligation to meet the definition of an “Entity” within the meaning of the Second Restated NEPOOL Agreement as it is in effect on the date of the approval by the NEPOOL Participants Committee or its designee of Applicant’s application to become a Participant in NEPOOL.
- (b) Applicant shall notify NEPOOL of any proposed change in affiliate status or any proposed change in the electric business Applicant conducts within the New England Control Area to include business other than that originally applied for in its membership application. NEPOOL shall have the right to delete any conditions imposed or waivers granted at this time and to impose additional reasonable conditions on Applicant’s participation in NEPOOL that shall apply to such change in Applicant’s business or circumstances, if such deletions or conditions are necessary or appropriate in view of such changes (see additional provisions regarding this understanding (b) in understanding (e) below for load aggregators and understanding (f) below for EWGs and QF owners and understanding (g) below for end users electing Governance Only Membership). Applicant shall be advised of any deletion of conditions or waivers and shall be provided a draft of any additional conditions before such deletions or additional conditions become effective. In accordance with the Second Restated NEPOOL Agreement, comments on such deletions or additions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.
- (c) In lieu of a certified copy of its Board of Directors duly authorizing the execution and performance of the Second Restated NEPOOL Agreement, Applicant may provide, each in a form reasonably acceptable to NEPOOL Counsel, (i) an opinion of competent outside counsel that the officer or other representative executing a counterpart of the Second Restated NEPOOL Agreement on behalf of the Applicant is duly authorized to do so and to cause the Applicant to perform its obligations under the Agreement upon the effectiveness of its membership; and (ii) an affidavit by Applicant’s duly-authorized officer or other representative that he/she has reviewed the Second Restated NEPOOL Agreement and the Tariff, including the billing policy and financial assurance policies set forth as Exhibits to Section I of the Tariff, and

fully understands Applicant's financial obligations that could arise under the Second Restated NEPOOL Agreement and the Tariff from participation in NEPOOL and the New England Markets.

- (d) In the event it is determined in an appeal, or by a court or regulatory agency, that any of these conditions is invalid for any reason, NEPOOL shall have the right to impose one or more valid reasonable conditions in place of the invalidated condition. Applicant shall be advised of any invalidated condition and shall be provided a draft of any replacement conditions before such conditions become effective. In accordance with the Second Restated NEPOOL Agreement, comments on such replacement conditions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.

The following additional understanding (e) applies only to Applicants while acting, now or in the future, as load aggregators in the New England Control Area:

- (e) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes:
 - (i) it is determined that Applicant has failed to qualify as a load aggregator in the one or more New England states where it proposes to act as a load aggregator in accordance with its representation; or
 - (ii) the state laws or regulations under which Applicant does qualify to act as a load aggregator are changed in ways that could impact NEPOOL or ISO operations.

The following additional understanding (f) applies only to Applicants while acting, now or in the future, as EWGs and/or QF owners:

- (f) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes:
 - (i) Applicant has represented that its facility is a "qualifying facility" within the meaning of PURPA and the facility is determined at any time not to be such a facility or PURPA is amended to permit Applicant to own facilities or engage in activities not permitted to it as the owner of a qualifying facility under the present provisions of PURPA; or
 - (ii) Applicant has represented that it is an "exempt wholesale generator" within the meaning of PUHCA 2005 and Applicant is determined at any time not to be such a generator or PUHCA 2005 is amended to permit Applicant to own facilities or engage in activities not permitted to it as an exempt wholesale generator under the present provisions of PUHCA 2005.

The following additional understanding (g) applies only to Applicants while acting, now or in the future, as end users in NEPOOL:

- (g) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply if it is determined that Applicant has failed to qualify as an End User Participant, as defined in Section 1 of the Second Restated NEPOOL Agreement, if such deletions or conditions are necessary or appropriate in view of such changes.

The following additional understandings (h), (i), and (j) apply only to Applicants that would qualify as End User Participants and elect before their application is approved by NEPOOL to be a Governance Only Member (as described more fully below):

- (h) Applicant's participation in NEPOOL shall be for governance purposes only ("Governance Only Member"). As a Governance Only Member, Applicant shall be:
 - (i) entitled to participate in all NEPOOL governance matters, including voting membership in all Principal Committees;
 - (ii) required to pay all application and annual fees applicable to End User Participants pursuant to Section 14 of the Second Restated NEPOOL Agreement;
 - (iii) required to forego participation in the New England Market, other than as permitted or required pursuant to the Load Response Program; and
 - (iv) required to deliver written notice of such election to the Secretary of the Participants Committee. Other than for an election made prior to the approval of its application by NEPOOL, the election to be a Governance Only Member shall become effective beginning on the first annual meeting of the Participants Committee following notice of such election
- (i) The acceptance in NEPOOL of such Applicant as a Governance Only Member does not require nor prescribe any different treatment from the treatment then accorded to any other End User Participant for the determination of its transmission or distribution charges.
- (j) The Governance Only Member Applicant with generation shall certify in a form reasonably acceptable to NEPOOL as to the following conditions, and shall become a End User Participant without Governance Only Member status if and when such conditions are no longer satisfied:
 - (i) For any hour in which the End User Behind-the-Meter Generation owned by the Governance Only Member does not fully meet its associated Electrical Load which is behind the meter, another Participant which is not a Governance Only Member is obligated under tariff or contract to include as part of its load asset in such hour the difference between (x) the Electrical Load of the Governance Only Member and (y) the kilowatthours of that Electrical Load which are produced by the End User Behind-the-Meter Generation; and
 - (ii) For any hour in which the output of the End User Behind-the-Meter Generation owned by the Governance Only Member exceeds its Electrical Load, the Governance Only Member is obligated to ensure that another Participant which is not a Governance Only Member is obligated under tariff or contract to report such excess to the ISO pursuant to applicable Market Rules.

The following additional understanding (k) applies only to Applicants that would qualify as End User Participants entitled to join the End User Sector, and which are Small End Users:

- (k) Applicant may not appoint to a NEPOOL committee a voting member or alternate to that member, or have its vote cast by another person pursuant to a written, standing designation or proxy, except in accordance with this understanding (k):
 - (i) An Applicant shall be entitled to appoint as its voting member, and alternate to that member, of each NEPOOL committee, and have as its designated representative or proxy, any individual; provided, however, that such individual shall not be a Related Person of another Participant in a Sector other than the End User Sector.

The following additional understanding (l) applies only to Applicants that are end users without generation, that do not elect to be Governance Only Members, and that participate directly in the New England Market (“Market Participant End Users”):

- (l) The Applicant shall certify in a form reasonably acceptable to NEPOOL as to the following conditions, and shall be permitted to participate in the New England Market only if, and for so long as, the following conditions are satisfied:
 - (i) Applicant shall have no ability to be reflected in the ISO’s settlement system as either a purchaser or a seller of any Market Products so long as such participation causes NEPOOL and/or the ISO to be subject to regulation as the electrical supplier for Applicant’s Electrical Load (“Retail Supplier”) by the state regulatory agency of the state(s) in which the Applicant consumes electricity;
 - (ii) The obligation to serve the electrical load of the Applicant shall at all times be assigned to a Market Participant (whether such Market Participant is Applicant or another Participant) which is duly authorized or required under the applicable state statutes and regulations of the Applicant’s state(s) to be a licensed Retail Supplier or is otherwise authorized to serve its electrical load without a license; and
 - (iii) Applicant shall have in place arrangements with its default service provider, either contractual or statutory, to provide for the automatic assignment of the obligation to serve its electrical load and the load associated with any of its Load Assets to such default service provider should the Retail Supplier be suspended from the New England Markets in accordance with the provisions of the Tariff, including the Financial Assurance Policy for Market Participants (Exhibit IA to Section I of the Tariff).

In notifying an Applicant that its application has been accepted subject to the stated understandings and requesting Applicant’s written acceptance of the understandings, the Membership Subcommittee Chair, or appropriate NEPOOL Participants Committee designee, shall include in a letter to Applicant the following reminders (1) through (8), applicable to all Applicants, unless otherwise specified in the following provisions:

- (1) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff, and these conditions and waivers;

- (2) each Participant is obligated to conform to any future changes in NEPOOL requirements;
- (3) each Participant is obligated to comply with all governmental, regulatory or other legal requirements which must be satisfied as a condition to its participation in NEPOOL or the New England Markets, or which may be otherwise applicable to such participation;
- (4) each Participant is obligated to pay an allocated portion of certain NEPOOL and ISO costs in accordance with the Second Restated NEPOOL Agreement, the Participants Agreement, and the Tariff;
- (5) each Participant is obligated to pay its monthly share of Participant Expenses by the payment date as specified in the Billing Policy (or any successor rule or procedure), which is currently the third Business Day after the issuance of the first weekly statement issued after the tenth of a calendar month (the Monthly Statement due date) but may be subject to change. If a Participant is delinquent two or more times within any period of 12 months in paying on time its share of Participant Expenses or other Hourly or Non-Hourly Charges, such Participant shall pay, in addition to interest on each late payment, a late payment charge for its second failure to pay on time, and for each subsequent failure to pay on time within the same 12-month period (a "Late Payment Charge") in an amount equal to the greater of (i) two percent (2%) of the total amount of such late payment or (ii) \$1,000.
- (6) each Participant is obligated to meet the requirements specified in the Billing Policy on file with the FERC as it may be amended from time to time (Participants are encouraged to regularly review the Billing Policy for any changes to the billing and payment dates or procedures; the far-reaching consequences of the failure to pay all or any part of an amount due when and as due are set forth in the Billing Policy);
- (7) each Participant is obligated to meet the requirements specified in the Financial Assurance Policies on file with the FERC as they may be amended from time to time; and
- (8) each Participant is required to submit information to the ISO from time to time, as is necessary to enable the ISO to meet its obligations, concerning any entity owned 10% or more by the Participant or any entity which owns 10% or more of the Participant, including upon a change in ownership or control of the Participant or any such entity.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (9) and (10), applicable to Applicants, other than Governance Only Members:

- (9) each Participant, except a Governance Only Member, has the obligation to assure for each transaction that it has identified transmission facilities required to accomplish such transaction and has made appropriate arrangements with the ISO or the owners of such transmission facilities, as appropriate, for use of such facilities; and

- (10) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff and any other agreement that NEPOOL or the ISO administers and, except a Governance Only Member, to verify that satisfactory transmission arrangements have been made for each transaction.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (11), applicable to load aggregators, power marketers and brokers:

- (11) for brokered transactions, a Participant while acting, now or in the future, as a broker would not be considered either the purchaser or the seller.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (12) and (13), applicable while the Applicant is acting, now or in the future, as a load aggregator, IPP, or end user:

- (12) each Participant is obligated to conform to standards established by the ISO or any duly authorized NEPOOL committee to assure reliable operation of the New England Control Area, including, without limitation, the obligation to have the ability to subject its load to load shedding as required by the ISO; and
- (13) no Participant may use its rights under the Second Restated NEPOOL Agreement, Tariff or the System Rules to avoid the application of any stranded cost policy, or to avoid or reduce the payment of any applicable stranded costs or access charges related to such stranded cost policy that has been approved by Federal regulators or regulators in any New England state in which that Participant is purchasing or selling electric energy and/or capacity for resale at wholesale or to retail customers.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (14), applicable to EWGs, QF owners and IPPs:

- (14) membership in NEPOOL and participation in the New England Markets could affect Applicant's operations in many ways, including without limitation its status as the owner of a qualifying facility under PURPA, an exempt wholesale generator under PUHCA, or an entity exempt under PUHCA because of its predominantly intrastate activities. Applicant should assess all such effects before becoming a Participant or participating in the New England Markets. Pursuant to the understandings under which it does become a Participant, Applicant should notify NEPOOL if, as a result of or following its joining of NEPOOL or as a result of its participation in the New England Market, the facility loses its status as a qualifying facility or the Market Participant loses its status as an exempt wholesale generator.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (15) and (16), applicable to all end users:

- (15) membership in NEPOOL and participation in the New England Markets could affect Applicant in many ways, including without limitation subjecting Applicant to the jurisdiction of federal and/or state regulatory agencies to which Applicant may not already be subject. Applicant should assess all such effects before becoming a Participant or participating in the New England Markets. Pursuant to the understandings under which it does become a Participant, Applicant should notify NEPOOL if, as a result of or following its joining of NEPOOL or as a result of its participation in the New England Market, it becomes subject to regulation by any federal and/or state regulatory agencies; and
- (16) without limiting the generality of reminder (2), each End User Participant is obligated to provide NEPOOL and the ISO, within fifteen (15) days of the annual meeting of the Participants Committee, with a report of its highest Energy use during any hour in the preceding year (net of any use of End User Behind-the-Meter Generation) and any other information that NEPOOL or the ISO determines is required in order to administer and implement the provisions of Section 14 of the Second Restated NEPOOL Agreement or Section 14 of the Participants Agreement, as appropriate.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (17), applicable to all Provisional Members:

- (17) A Provisional Member that becomes eligible to designate an individual voting member of a Sector other than the End User Sector or is eligible to be represented by a group voting member (other than a Provisional Member Group Member) is obligated to promptly designate in a notice to the Secretary of the Participants Committee either (i) the voting member appointed by it for each Principal Committee and alternate of each such member; or (ii) the group voting member by which it shall be represented. Such change in representation and/or Sector shall become effective beginning on the first day of the calendar month following the notice of such change.

ATTACHMENT 4

COUNTERPART SIGNATURE PAGE
NEW ENGLAND POWER POOL AGREEMENT

IN WITNESS WHEREOF, the undersigned has caused this counterpart signature page to the New England Power Pool Agreement, being dated as of September 1, 1971, as amended, to be executed by its duly authorized representative as of _____.

____ Pacific Summit Energy LLC ____
(Applicant Company Name)

By: 

Name: Koichi Iwanaga

Title: Senior Vice President

Company: Pacific Summit Energy LLC

Address: 4675 MacArthur Court, Suite 750,
Newport Beach, CA 92660

ATTACHMENT 5



NEW ENGLAND POWER POOL
Michael Lynch, Chair
NEPOOL Membership Subcommittee

November 30, 2013

Allison Dorr
Contract Administrator
Pacific Summit Energy LLC
4675 MacArthur Court
Suite 750
Newport Beach, CA 92660
adorr@pacificsummitenergy.com

Re: Application for NEPOOL Membership

Dear Allison:

The request of Pacific Summit Energy LLC (“Pacific Summit”) to become a Participant¹ in the New England Power Pool (“NEPOOL”) was approved by the NEPOOL Participants Committee Membership Subcommittee at its November 21, 2013 meeting, subject to the applicable understandings, including those which are reflected in the attachment to this letter.

Please confirm the Pacific Summit’s acceptance of NEPOOL’s Standard Membership Conditions, Waivers and Reminders by signing a copy of this letter and returning it, *along with a copy of the Standard Membership Conditions, Waivers and Reminders*, to:

Audra Perry
New England Membership Application Coordinator
c/o ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Fax: 413-535-4680
E-mail: aperry@iso-ne.com

I understand that Pacific Summit intends to operate in New England as a financial marketer and a power marketer. Your signature on this letter will also serve to confirm that understanding.

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

I have been instructed to remind Pacific Summit of the following obligations which are common to all NEPOOL Participants that operate as financial marketers and power marketers:

- (1) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff, and these conditions and waivers;
- (2) each Participant is obligated to conform to any future changes in NEPOOL requirements;
- (3) each Participant is obligated to comply with all governmental, regulatory or other legal requirements which must be satisfied as a condition to its participation in NEPOOL or the New England Markets, or which may be otherwise applicable to such participation;
- (4) each Participant is obligated to pay an allocated portion of certain NEPOOL and ISO costs in accordance with the Second Restated NEPOOL Agreement, the Participants Agreement, and the Tariff;
- (5) each Participant is obligated to pay its monthly share of Participant Expenses by the payment date as specified in the Billing Policy (or any successor rule or procedure), which is currently the third Business Day after the issuance of the first weekly statement issued after the tenth of a calendar month (the Monthly Statement due date) but may be subject to change. If a Participant is delinquent two or more times within any period of 12 months in paying on time its share of Participant Expenses or other Hourly or Non-Hourly Charges, such Participant shall pay, in addition to interest on each late payment, a late payment charge for its second failure to pay on time, and for each subsequent failure to pay on time within the same 12-month period (a "Late Payment Charge") in an amount equal to the greater of (i) two percent (2%) of the total amount of such late payment or (ii) \$1,000;
- (6) each Participant is obligated to meet the requirements specified in the Billing Policy on file with the FERC as it may be amended from time to time (Participants are encouraged to regularly review the Billing Policy for any changes to the billing and payment dates or procedures; the far-reaching consequences of the failure to pay all or any part of an amount due when and as due are set forth in the Billing Policy);
- (7) each Participant is obligated to meet the requirements specified in the Financial Assurance Policies on file with the FERC as they may be amended from time to time;
- (8) each Participant is required to submit information to the ISO from time to time, as is necessary to enable the ISO to meet its obligations, concerning any entity owned 10% or more by the Participant or any entity which owns 10% or more of

the Participant, including upon a change in ownership or control of the Participant any such entity;

- (9) each Participant, except a Governance Only Member, has the obligation to assure for each transaction that it has identified transmission facilities required to accomplish such transaction and has made appropriate arrangements with the ISO or the owners of such transmission facilities, as appropriate, for use of such facilities;
- (10) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff and any other agreement that NEPOOL or the ISO administers and, except a Governance Only Member, to verify that satisfactory transmission arrangements have been made for each transaction; and
- (11) for brokered transactions, a Participant while acting, now or in the future, as a broker would not be considered either the purchaser or the seller.

Upon receipt of this countersigned letter, NEPOOL expects to make the necessary filings with the Federal Energy Regulatory Commission in order for Pacific Summit's application to become effective.

Very truly yours,



Michael J. Lynch
Chair, Membership Subcommittee
of the NEPOOL Participants Committee

Accepted and approved:

Pacific Summit Energy LLC

By:


Name: Korchii Iwanaga
Title: Senior Vice President

Dated: December 2, 2013

Enclosure

STANDARD MEMBERSHIP CONDITIONS, WAIVERS AND REMINDERS

WHEREAS, an applicant (“Applicant”) for membership in the New England Power Pool (“NEPOOL”) may be one or more of the following types of entities: a **“load aggregator,”** which is considered for this purpose to be an entity that purchases at wholesale electric energy and capacity for resale to retail customers and resells such energy and capacity to retail customers in New England; a **“power marketer,”** which is considered for this purpose to be an entity that purchases as a principal or as a principal and a broker at wholesale electric energy and capacity for resale to wholesale customers and resells such energy and capacity to wholesale customers in New England; a **“financial marketer/trader,”** which is considered for this purpose to be an entity that submits Increment Offers and/or Decrement Bids in the Day-Ahead Energy Market; an **“exempt wholesale generator”** or **“EWG,”** which is considered for this purpose to be an entity granted such status by the Federal Energy Regulatory Commission under the Public Utility Holding Company Act of 2005, as amended (“PUHCA 2005”), pursuant to which it is required to be engaged “exclusively in the business of owning or operating, or both owning and operating, all or part of one or more eligible facilities and selling electric energy at wholesale”; an entity which owns a **“qualifying facility”** or **“QF,”** which is considered for this purpose to be an entity within the meaning of the Public Utility Regulatory Policies Act of 1978 (“PURPA”) or an **“eligible facility”** within the meaning of the PUHCA 2005; an **“independent power producer”** or **“IPP,”** which is considered for this purpose to be an entity other than an EWG or QF whose exclusive business is owning or owning and operating all or a part of one or more generating facilities and selling electric energy at wholesale or retail; a **“broker,”** which is considered for this purpose to be an entity that acts from time to time for purchasers or sellers in New England in arranging the purchase or sale at wholesale of electric energy and/or capacity; an **“AR Provider,”** which is considered for this purpose to be an entity with a “Substantial Business Interest” in Alternative Resources located within the New England Control Area; or an **“end user,”** which is considered for this purpose to be (a) a consumer of electricity in the New England Control Area that generates or purchases electricity primarily for its own consumption, (b) a non-profit group representing such consumers, or (c) a Related Person of an End User Participant and which (i) is licensed as a competitive supplier under the statutes and regulations of the state in which the End User Participant which is its Related Person is located and (ii) participates in the New England Market solely to serve the load of the End User which is its Related Person.

WHEREAS, effective February 1, 2005 the NEPOOL Agreement was amended by the One Hundred Seventh Agreement Amending New England Power Pool Agreement and restated as the “Second Restated NEPOOL Agreement”; and

WHEREAS, ISO New England Inc. (the “ISO”), has been approved by the Federal Energy Regulatory Commission (“FERC”) as the regional transmission organization (“RTO”) for the New England region consisting of the states of Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont and substantial portions of Maine;

WHEREAS, the ISO will be responsible for maintaining the reliability of the System by, among other things, exercising operational authority over the Transmission Facilities of the System, administering and seeking to enhance sustainable, competitive and efficient energy markets in New England and providing non-discriminatory, open-access transmission service over the Transmission Facilities in accordance with the Participants Agreement, the ISO’s Transmission, Markets and Services Tariff (the “Tariff”), and the System Rules;

WHEREAS, an Applicant that proposes to act as a load aggregator must represent that, if it is permitted to become a Market Participant, it would qualify under existing law and regulation in the one or more New England states where it proposes to act as a load aggregator;

WHEREAS, an Applicant that is qualified to become an End User Participant may elect to be a “Governance Only Member”;

WHEREAS, a duly authorized NEPOOL subcommittee has recommended that certain conditions and waivers be applied to an Applicant in connection with its becoming a Participant in NEPOOL; and

WHEREAS, each Applicant acknowledges that it has reviewed the Second Restated NEPOOL Agreement and the Tariff, including the billing policy and financial assurance policies set forth as Exhibits to Section I of the Tariff, and fully understands its financial obligations that could arise under the Second Restated NEPOOL Agreement and the Tariff from participation in NEPOOL and the New England Markets.

NOW, THEREFORE, an Applicant to become a Participant in NEPOOL shall be required to agree in writing to the following understandings:

Any capitalized terms used in the following understandings (a) through (l) that are not defined in such understandings shall have the same meaning ascribed to them in the Second Restated NEPOOL Agreement, the Participants Agreement or the Tariff, as appropriate. The following understandings (a) through (d) apply to all Applicants:

- (a) Applicant will have an ongoing obligation to meet the definition of an “Entity” within the meaning of the Second Restated NEPOOL Agreement as it is in effect on the date of the approval by the NEPOOL Participants Committee or its designee of Applicant’s application to become a Participant in NEPOOL.
- (b) Applicant shall notify NEPOOL of any proposed change in affiliate status or any proposed change in the electric business Applicant conducts within the New England Control Area to include business other than that originally applied for in its membership application. NEPOOL shall have the right to delete any conditions imposed or waivers granted at this time and to impose additional reasonable conditions on Applicant’s participation in NEPOOL that shall apply to such change in Applicant’s business or circumstances, if such deletions or conditions are necessary or appropriate in view of such changes (see additional provisions regarding this understanding (b) in understanding (e) below for load aggregators and understanding (f) below for EWGs and QF owners and understanding (g) below for end users electing Governance Only Membership). Applicant shall be advised of any deletion of conditions or waivers and shall be provided a draft of any additional conditions before such deletions or additional conditions become effective. In accordance with the Second Restated NEPOOL Agreement, comments on such deletions or additions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.
- (c) In lieu of a certified copy of its Board of Directors duly authorizing the execution and performance of the Second Restated NEPOOL Agreement, Applicant may provide, each in a form reasonably acceptable to NEPOOL Counsel, (i) an opinion of competent outside counsel that the officer or other representative executing a counterpart of the Second Restated NEPOOL Agreement on behalf of the Applicant is duly authorized to do so and to cause the Applicant to perform its obligations under the Agreement upon the effectiveness of its membership; and (ii) an affidavit by Applicant’s duly-authorized officer or other representative that he/she has reviewed the Second Restated NEPOOL Agreement and the Tariff, including the billing policy and financial assurance policies set forth as Exhibits to Section I of the Tariff, and

fully understands Applicant's financial obligations that could arise under the Second Restated NEPOOL Agreement and the Tariff from participation in NEPOOL and the New England Markets.

- (d) In the event it is determined in an appeal, or by a court or regulatory agency, that any of these conditions is invalid for any reason, NEPOOL shall have the right to impose one or more valid reasonable conditions in place of the invalidated condition. Applicant shall be advised of any invalidated condition and shall be provided a draft of any replacement conditions before such conditions become effective. In accordance with the Second Restated NEPOOL Agreement, comments on such replacement conditions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.

The following additional understanding (e) applies only to Applicants while acting, now or in the future, as load aggregators in the New England Control Area:

- (e) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes:
 - (i) it is determined that Applicant has failed to qualify as a load aggregator in the one or more New England states where it proposes to act as a load aggregator in accordance with its representation; or
 - (ii) the state laws or regulations under which Applicant does qualify to act as a load aggregator are changed in ways that could impact NEPOOL or ISO operations.

The following additional understanding (f) applies only to Applicants while acting, now or in the future, as EWGs and/or QF owners:

- (f) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes:
 - (i) Applicant has represented that its facility is a "qualifying facility" within the meaning of PURPA and the facility is determined at any time not to be such a facility or PURPA is amended to permit Applicant to own facilities or engage in activities not permitted to it as the owner of a qualifying facility under the present provisions of PURPA; or
 - (ii) Applicant has represented that it is an "exempt wholesale generator" within the meaning of PUHCA 2005 and Applicant is determined at any time not to be such a generator or PUHCA 2005 is amended to permit Applicant to own facilities or engage in activities not permitted to it as an exempt wholesale generator under the present provisions of PUHCA 2005.

The following additional understanding (g) applies only to Applicants while acting, now or in the future, as end users in NEPOOL:

- (g) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply if it is determined that Applicant has failed to qualify as an End User Participant, as defined in Section 1 of the Second Restated NEPOOL Agreement, if such deletions or conditions are necessary or appropriate in view of such changes.

The following additional understandings (h), (i), and (j) apply only to Applicants that would qualify as End User Participants and elect before their application is approved by NEPOOL to be a Governance Only Member (as described more fully below):

- (h) Applicant's participation in NEPOOL shall be for governance purposes only ("Governance Only Member"). As a Governance Only Member, Applicant shall be:
 - (i) entitled to participate in all NEPOOL governance matters, including voting membership in all Principal Committees;
 - (ii) required to pay all application and annual fees applicable to End User Participants pursuant to Section 14 of the Second Restated NEPOOL Agreement;
 - (iii) required to forego participation in the New England Market, other than as permitted or required pursuant to the Load Response Program; and
 - (iv) required to deliver written notice of such election to the Secretary of the Participants Committee. Other than for an election made prior to the approval of its application by NEPOOL, the election to be a Governance Only Member shall become effective beginning on the first annual meeting of the Participants Committee following notice of such election
- (i) The acceptance in NEPOOL of such Applicant as a Governance Only Member does not require nor prescribe any different treatment from the treatment then accorded to any other End User Participant for the determination of its transmission or distribution charges.
- (j) The Governance Only Member Applicant with generation shall certify in a form reasonably acceptable to NEPOOL as to the following conditions, and shall become a End User Participant without Governance Only Member status if and when such conditions are no longer satisfied:
 - (i) For any hour in which the End User Behind-the-Meter Generation owned by the Governance Only Member does not fully meet its associated Electrical Load which is behind the meter, another Participant which is not a Governance Only Member is obligated under tariff or contract to include as part of its load asset in such hour the difference between (x) the Electrical Load of the Governance Only Member and (y) the kilowatthours of that Electrical Load which are produced by the End User Behind-the-Meter Generation; and
 - (ii) For any hour in which the output of the End User Behind-the-Meter Generation owned by the Governance Only Member exceeds its Electrical Load, the Governance Only Member is obligated to ensure that another Participant which is not a Governance Only Member is obligated under tariff or contract to report such excess to the ISO pursuant to applicable Market Rules.

The following additional understanding (k) applies only to Applicants that would qualify as End User Participants entitled to join the End User Sector, and which are Small End Users:

- (k) Applicant may not appoint to a NEPOOL committee a voting member or alternate to that member, or have its vote cast by another person pursuant to a written, standing designation or proxy, except in accordance with this understanding (k):
 - (i) An Applicant shall be entitled to appoint as its voting member, and alternate to that member, of each NEPOOL committee, and have as its designated representative or proxy, any individual; provided, however, that such individual shall not be a Related Person of another Participant in a Sector other than the End User Sector.

The following additional understanding (l) applies only to Applicants that are end users without generation, that do not elect to be Governance Only Members, and that participate directly in the New England Market (“Market Participant End Users”):

- (l) The Applicant shall certify in a form reasonably acceptable to NEPOOL as to the following conditions, and shall be permitted to participate in the New England Market only if, and for so long as, the following conditions are satisfied:
 - (i) Applicant shall have no ability to be reflected in the ISO’s settlement system as either a purchaser or a seller of any Market Products so long as such participation causes NEPOOL and/or the ISO to be subject to regulation as the electrical supplier for Applicant’s Electrical Load (“Retail Supplier”) by the state regulatory agency of the state(s) in which the Applicant consumes electricity;
 - (ii) The obligation to serve the electrical load of the Applicant shall at all times be assigned to a Market Participant (whether such Market Participant is Applicant or another Participant) which is duly authorized or required under the applicable state statutes and regulations of the Applicant’s state(s) to be a licensed Retail Supplier or is otherwise authorized to serve its electrical load without a license; and
 - (iii) Applicant shall have in place arrangements with its default service provider, either contractual or statutory, to provide for the automatic assignment of the obligation to serve its electrical load and the load associated with any of its Load Assets to such default service provider should the Retail Supplier be suspended from the New England Markets in accordance with the provisions of the Tariff, including the Financial Assurance Policy for Market Participants (Exhibit IA to Section I of the Tariff).

In notifying an Applicant that its application has been accepted subject to the stated understandings and requesting Applicant’s written acceptance of the understandings, the Membership Subcommittee Chair, or appropriate NEPOOL Participants Committee designee, shall include in a letter to Applicant the following reminders (1) through (8), applicable to all Applicants, unless otherwise specified in the following provisions:

- (1) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff, and these conditions and waivers;

- (2) each Participant is obligated to conform to any future changes in NEPOOL requirements;
- (3) each Participant is obligated to comply with all governmental, regulatory or other legal requirements which must be satisfied as a condition to its participation in NEPOOL or the New England Markets, or which may be otherwise applicable to such participation;
- (4) each Participant is obligated to pay an allocated portion of certain NEPOOL and ISO costs in accordance with the Second Restated NEPOOL Agreement, the Participants Agreement, and the Tariff;
- (5) each Participant is obligated to pay its monthly share of Participant Expenses by the payment date as specified in the Billing Policy (or any successor rule or procedure), which is currently the third Business Day after the issuance of the first weekly statement issued after the tenth of a calendar month (the Monthly Statement due date) but may be subject to change. If a Participant is delinquent two or more times within any period of 12 months in paying on time its share of Participant Expenses or other Hourly or Non-Hourly Charges, such Participant shall pay, in addition to interest on each late payment, a late payment charge for its second failure to pay on time, and for each subsequent failure to pay on time within the same 12-month period (a "Late Payment Charge") in an amount equal to the greater of (i) two percent (2%) of the total amount of such late payment or (ii) \$1,000.
- (6) each Participant is obligated to meet the requirements specified in the Billing Policy on file with the FERC as it may be amended from time to time (Participants are encouraged to regularly review the Billing Policy for any changes to the billing and payment dates or procedures; the far-reaching consequences of the failure to pay all or any part of an amount due when and as due are set forth in the Billing Policy);
- (7) each Participant is obligated to meet the requirements specified in the Financial Assurance Policies on file with the FERC as they may be amended from time to time; and
- (8) each Participant is required to submit information to the ISO from time to time, as is necessary to enable the ISO to meet its obligations, concerning any entity owned 10% or more by the Participant or any entity which owns 10% or more of the Participant, including upon a change in ownership or control of the Participant or any such entity.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (9) and (10), applicable to Applicants, other than Governance Only Members:

- (9) each Participant, except a Governance Only Member, has the obligation to assure for each transaction that it has identified transmission facilities required to accomplish such transaction and has made appropriate arrangements with the ISO or the owners of such transmission facilities, as appropriate, for use of such facilities; and

- (10) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff and any other agreement that NEPOOL or the ISO administers and, except a Governance Only Member, to verify that satisfactory transmission arrangements have been made for each transaction.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (11), applicable to load aggregators, power marketers and brokers:

- (11) for brokered transactions, a Participant while acting, now or in the future, as a broker would not be considered either the purchaser or the seller.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (12) and (13), applicable while the Applicant is acting, now or in the future, as a load aggregator, IPP, or end user:

- (12) each Participant is obligated to conform to standards established by the ISO or any duly authorized NEPOOL committee to assure reliable operation of the New England Control Area, including, without limitation, the obligation to have the ability to subject its load to load shedding as required by the ISO; and
- (13) no Participant may use its rights under the Second Restated NEPOOL Agreement, Tariff or the System Rules to avoid the application of any stranded cost policy, or to avoid or reduce the payment of any applicable stranded costs or access charges related to such stranded cost policy that has been approved by Federal regulators or regulators in any New England state in which that Participant is purchasing or selling electric energy and/or capacity for resale at wholesale or to retail customers.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (14), applicable to EWGs, QF owners and IPPs:

- (14) membership in NEPOOL and participation in the New England Markets could affect Applicant's operations in many ways, including without limitation its status as the owner of a qualifying facility under PURPA, an exempt wholesale generator under PUHCA, or an entity exempt under PUHCA because of its predominantly intrastate activities. Applicant should assess all such effects before becoming a Participant or participating in the New England Markets. Pursuant to the understandings under which it does become a Participant, Applicant should notify NEPOOL if, as a result of or following its joining of NEPOOL or as a result of its participation in the New England Market, the facility loses its status as a qualifying facility or the Market Participant loses its status as an exempt wholesale generator.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (15) and (16), applicable to all end users:

- (15) membership in NEPOOL and participation in the New England Markets could affect Applicant in many ways, including without limitation subjecting Applicant to the jurisdiction of federal and/or state regulatory agencies to which Applicant may not already be subject. Applicant should assess all such effects before becoming a Participant or participating in the New England Markets. Pursuant to the understandings under which it does become a Participant, Applicant should notify NEPOOL if, as a result of or following its joining of NEPOOL or as a result of its participation in the New England Market, it becomes subject to regulation by any federal and/or state regulatory agencies; and
- (16) without limiting the generality of reminder (2), each End User Participant is obligated to provide NEPOOL and the ISO, within fifteen (15) days of the annual meeting of the Participants Committee, with a report of its highest Energy use during any hour in the preceding year (net of any use of End User Behind-the-Meter Generation) and any other information that NEPOOL or the ISO determines is required in order to administer and implement the provisions of Section 14 of the Second Restated NEPOOL Agreement or Section 14 of the Participants Agreement, as appropriate.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (17), applicable to all Provisional Members:

- (17) A Provisional Member that becomes eligible to designate an individual voting member of a Sector other than the End User Sector or is eligible to be represented by a group voting member (other than a Provisional Member Group Member) is obligated to promptly designate in a notice to the Secretary of the Participants Committee either (i) the voting member appointed by it for each Principal Committee and alternate of each such member; or (ii) the group voting member by which it shall be represented. Such change in representation and/or Sector shall become effective beginning on the first day of the calendar month following the notice of such change.

ATTACHMENT 6



Robert C. Ludlow
Vice President & Chief Financial and Compliance Officer

February 27, 2014

Mr. Michael Lynch
Chairman, NEPOOL Participants Committee Membership Subcommittee
c/o Massachusetts Municipal Wholesale Electric Company
mlynch@mmwec.org

VIA E-MAIL

Dear Mike:

Pursuant to Section 16.1(d) of the Second Restated NEPOOL Agreement and the termination protocol adopted by the Participants Committee Meeting at its April 6, 2001 meeting, ISO New England ("ISO-NE") is recommending that NEPOOL initiate Termination Proceedings for A123 Systems, Inc. ("A123"). The recommendation is due to long-standing Financial Assurance and Payment Defaults under the ISO-NE Billing Policy.

A123 was suspended on January 10, 2013 as a result of a Financial Assurance Default. A123 has also been in a Payment Default since February 14, 2013 as a result of its failure to pay its February 11, 2013 invoice, which was due on February 13, 2013. Despite notice of these Defaults, A123 has not cured the Defaults. Each of these Defaults is a Level 2 Default, with the Financial Assurance Default considered a new Financial Assurance Default the first day of each calendar month that the Default exists.

Accordingly, in accordance with the termination protocol, ISO-NE recommends that NEPOOL initiate Termination Proceedings for A123. Please feel free to contact me at 413-535-4014 should you have any questions regarding the above information.

Sincerely,

/s/ Robert Ludlow

Robert Ludlow
Vice President & Chief Financial and Compliance Officer

cc: Pat Gerity, NEPOOL Counsel, pmgerity@daypitney.com

ATTACHMENT 7

PROTOCOL FOR THE INITIATION OF MEMBERSHIP TERMINATION PROCEEDINGS

Without limiting any of the rights or remedies of the New England Power Pool (“NEPOOL”) or ISO New England Inc. (the “ISO”) available under the Second Restated New England Power Pool Agreement (the “NEPOOL Agreement”), the ISO New England Inc. Transmission, Markets and Services Tariff (“ISO Tariff”)(including without limitation the ISO New England Financial Assurance Policy for Market Participants (“Financial Assurance Policy”) and the ISO New England Billing Policy (“Billing Policy”) that are exhibits thereto), and the Participants Agreement¹ (together with the NEPOOL Agreement and the ISO Tariff, the “Documents”), this termination protocol outlines the criteria and process by which the Chair of the Membership Subcommittee may approve on behalf of the NEPOOL Participants Committee the initiation of proceedings before the Federal Energy Regulatory Commission (the “Commission”) to terminate the status of a Participant as a member of NEPOOL in accordance with Sections 16.1(c) and 16.1(d) of the NEPOOL Agreement.

Each Participant is obligated to pay when due in accordance with the Documents and the System Rules, including without limitation the Billing Policy, all amounts invoiced to it by NEPOOL, or by the ISO on its own behalf and on behalf of NEPOOL. In addition, each Participant is required to comply with the requirements of the Financial Assurance Policy. These Policies are enforced and managed by the ISO, with the exception of termination of membership issues, which are specifically reserved to the NEPOOL Participants.

Should a Participant fail to pay when due all amounts invoiced to it by NEPOOL, or by the ISO on behalf of NEPOOL (a “Payment Default”), or fail to comply with the Financial Assurance Policy (“Financial Assurance Default”), or fail to perform any other obligation under the NEPOOL Agreement or the ISO Tariff (“Other Default”) and such failure continues for at least ten (10) days, NEPOOL may then initiate termination proceedings before the Commission to terminate such Participant’s status as a NEPOOL Participant.² By delegation of authority, the Participants Committee has charged the Membership Subcommittee with the responsibility to address issues related to, and to approve if appropriate, the termination of a Participant, subject to appeal to the Participants Committee.³ The Participants Committee has determined that the decision to initiate termination proceedings in certain situations against a defaulting Participant can be delegated to and approved by the Chair of the Membership Subcommittee, as set forth below.

¹ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in the NEPOOL Agreement, the Participants Agreement, or the ISO Tariff.

² NEPOOL Agreement § 16.2(d).

³ Minutes of the NEPOOL Executive Committee, predecessor to the NEPOOL Participants Committee, at 2036 (Nov. 7, 1997).

I. PAYMENT AND/OR FINANCIAL ASSURANCE DEFAULT

If a Payment Default or Financial Assurance Default (either separately or together referred to for the purposes of this Section 1 as a “Default”) continues for at least ten (10) days (as contemplated by Section 16.1(d) of the NEPOOL Agreement), and if either the Chief Financial Officer, Chief Executive Officer, or Chair of the Board of Directors of the ISO recommends in writing⁴ to the Chair of the Membership Subcommittee that termination proceedings be commenced against such Participant for such Default (with a copy of such recommendation also being sent to Pool counsel, the members of the Membership Subcommittee, and the Participants Committee member and alternate of such Participant), the Chair, or in his or her absence the Acting Chair, of the Membership Subcommittee, to the extent practicable, shall within two (2) business days of the receipt of such recommendation and without further input from the Membership Subcommittee or the Participants Committee, approve the initiation of termination proceedings and shall direct Pool counsel to file such materials with the Commission as are appropriate to cause the termination of the membership of such Participant if such Participant has:

- (i) Two (2) or more Level 1 Defaults; or
- (ii) One (1) or more Level 2 Defaults.

A. DEFAULT LEVELS

Level 1 (any one of the following):

- **Magnitude:** \$15,000 - \$50,000 (Payment Default);
- **Duration:** 10 – 24 days (either Payment Default or Financial Assurance Default); or
- **Frequency:** 3 or more Payment Defaults, Financial Assurance Defaults or any combination thereof within any twelve-month period

Level 2 (any one of the following):

- **Magnitude:** \$50,001 or more (Payment Default);
- **Duration:** 25 or more days (either Payment Default or Financial Assurance Default); or
- **Frequency:** 5 or more Payment Defaults, Financial Assurance Defaults or any combination thereof within any twelve-month period.

For purposes of calculating the number of times that a Financial Assurance Default occurs, an existing Financial Assurance Default shall be deemed to be

⁴ The recommendation of the ISO shall include the basis for such recommendation, including without limitation an indication of the number of Level 1 and/or Level 2 Defaults, as defined herein, of such Participant.

another, new Financial Assurance Default on the first day of each calendar month. Moreover, for purposes of calculating the number of times that a Payment Default or a Financial Assurance Default occurs, a Payment Default or Financial Assurance Default that is subsequently cured will be included in such calculation.

The Chair of the Membership Subcommittee shall refer to the full Membership Subcommittee for its consideration any recommendation to terminate a Participant where such Participant does not have either (i) at least two (2) Level 1 Defaults or (ii) at least (1) Level 2 Default, as those Defaults are defined above.

II. OTHER DEFAULT

Should (i) the criteria set forth in Section I above not support the approval by the Chair of the Membership Subcommittee of the initiation of termination proceedings, or (ii) a Participant fail to perform any obligation under the Documents which is an Other Default, the Membership Subcommittee, upon notice of such Other Default, shall consider the issues raised by such Other Default and approve the initiation of termination proceedings or take such other action as may be appropriate.

III. MISCELLANEOUS

Nothing set forth herein shall limit the ability of the Membership Subcommittee or the Participants Committee to terminate or suspend service to a Participant or to take any other action with respect to a Participant's default under the Documents.

Without limiting the generality of the foregoing, the Membership Subcommittee or the Participants Committee retains the ability to suspend service to, or commence termination proceedings against, any Participant in the event of any single Payment Default or Financial Assurance Default, regardless of whether such default constitutes a Level 1 or Level 2 Default.

The Secretary of the Participants Committee or NEPOOL Counsel shall, upon the filing with the Commission of the materials necessary to commence termination proceedings against a defaulting Participant, notify the utility regulatory authorities in each state in New England in which such defaulting Participant does business of the pending termination proceeding against such defaulting Participant and the possibility of suspension of service to such Participant.

In the event of conflict between the provisions of this Protocol and the Documents, the provisions of the Documents shall govern.

ATTACHMENT 8

**New England Governors
and Utility Regulatory
and Related Agencies**

February 28, 2014

Connecticut

The Honorable Dannel P. Malloy
State Capitol
210 Capitol Ave.
Hartford, CT 06106

Connecticut Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051-2605

Maine

The Honorable Paul R. LePage
One State House Station
Rm. 236
Augusta, ME 04333-0001

Maine Public Utilities Commission
State House, Station 18
242 State Street
Augusta, ME 04333-0018

Massachusetts

The Honorable Deval L. Patrick
Office of the Governor
Rm. 360 State House
Boston, MA 02133

Massachusetts Department of Public Utilities
One South Station
Boston, MA 02110

New Hampshire

The Honorable Maggie Hassan
State House
25 Capitol Street
Concord, NH 03301

New Hampshire Public Utilities Commission
21 South Fruit Street
Suite 10
Concord, NH 03301-2429

Rhode Island

The Honorable Lincoln D. Chafee
State House Room 115
Providence, RI 02903

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Vermont

The Honorable Peter E. Shumlin
109 State Street, Pavilion
Montpelier, VT 05609

Vermont Public Service Board
112 State Street, Drawer 20
Montpelier, VT 05620-2701

**New England Governors
and Utility Regulatory
and Related Agencies**

February 28, 2014

James Volz, President
New England Conference of
Public Utilities Commissioners, Inc.
c/o Vermont Public Service Board
112 State Street, Drawer 20
Montpelier, VT 05620-2701
james.volz@state.vt.us

Sarah Hofmann
New England Conference of
Public Utilities Commissioners, Inc.
shofmannNECPUC@gmail.com

Harvey L. Reiter, Esq.
Counsel for New England Conference
of Public Utilities Commissioners, Inc.
c/o Stinson Morrison Hecker LLP
1150 18th Street, NW, Suite 800
Washington, DC 20036-3816

Power Planning Committee
New England Governors' Conference, Inc.
76 Summer Street, 2nd Floor
Boston, MA 02110-1226

Heather Hunt
Executive Director
New England States Committee on Electricity
4 Bellows Road
Westborough, MA 01581
HeatherHunt@NESCOE.com