



NEW ENGLAND POWER POOL

FOCUS, FORUM, AND FEEDBACK
TO MEET NEW ENGLAND'S ENERGY FUTURE

2009 Annual Report



(inside front cover)

As my second year chairing the NEPOOL Participants Committee draws to a close, I reflect back on my service with a new appreciation for the value of the NEPOOL stakeholder process and the work that it takes to make it successful. The value, unquestionably, is not obtained without significant effort by all stakeholders and our jobs as the representatives of the six Sectors of NEPOOL have been to try and improve the value proposition for NEPOOL members.

Looking first at the value of our NEPOOL process, the role of Market Participants in establishing the rules of the road for generation and transmission services has evolved over time. At the highest level, we have evolved from a decision-making body to an advisory body, but the value of the NEPOOL stakeholder process hasn't changed. Rather, our stakeholder process provides the key means to focus NEPOOL members on proposed changes to the region's bulk power arrangements, a forum for those members to discuss and understand those proposals, and a feedback mechanism for them to register their reactions to those proposals. Sometimes, the NEPOOL stakeholder process produces consensus, however defined, with the ISO, state regulators, and a broad cross-section of Market Participants. That outcome maximizes the opportunity for New England arrangements that are sensitive to regional interests and needs. At other times, like in the recent vote on the Forward Capacity Market (FCM) Design Basis document, however, consensus on all issues may not be reached, but it would be wrong to conclude that the inability of NEPOOL members to achieve consensus is a failure of the stakeholder process. Indeed the FCM stakeholder process produced a far more informed group of Market Participants, clarified and narrowed areas of disagreements, and produced a broadly acceptable construct for future improvements to FCM. While there are material disagreements among Market Participants on critically important issues, the alternatives to be presented to the FERC will be much better defined, clarified, and understood because of the NEPOOL stakeholder process.

Is the stakeholder process time consuming? Of course. Is it maddening? At times, yes for everyone. Is there a more efficient way to achieve a desired outcome? Absolutely -- simply accept my proposals in all instances.

In all seriousness, which I try to avoid, I submit that our NEPOOL stakeholder process is all about self-governance. While the democratic process we use is far from perfect it remains the best forum to resolve issues and refine proposals. It allows for full and engaged presentations, discussions, and opportunities for members to understand competing proposals and options much like occurs at a New England town meeting. Importantly, the NEPOOL process also provides NEPOOL members a meaningful way to register their positions directly with the ISO and each other, other than just through adversarial pleadings in Washington.

It has been my honor and pleasure to serve as a Chairman of this democratic process for the past two years. As I have said on numerous occasions, two years of such leadership is enough and, in fact, without the support of the Day Pitney team it would have been impossible for me to meaningfully serve as Chair. I look forward to working with my successor as NEPOOL continues to provide all Market Participants the focus and forum to provide meaningful feedback on the design, evolution, and implementation of the region's wholesale power arrangements.



Sincerely,

A stylized, handwritten signature in dark ink, consisting of a long horizontal stroke with a loop at the end and a smaller loop at the beginning.

Robert de R. Stein

Participants Committee



Robert de R. Stein (Supplier)

Bob Stein is the Supplier Sector representative, and has served as the Chairman of the Participants Committee for the past two years. He has been involved in NEPOOL activities for over 38 years, with his first professional job in transmission planning at NEPOOL. Over his long career, he has represented municipals and utilities on a variety of NEPOOL committees. He was a co-founder of the Signal Hill Consulting Group in 1998, and has represented various stakeholders in NEPOOL since 1996.



Calvin A. Bowie (Transmission)

Cal Bowie is the Transmission Sector representative. His extensive experience with NEPOOL dates back to 1984 when he attended his first Generation Task Force meeting. He has a utility background in distribution engineering, system planning, commercial and industrial account management, and wholesale marketing. He was active in NEPOOL governance reform and membership, chairing the Membership Subcommittee for a number of years. Cal is NU's member on the Transmission Committee and held the position of Vice-Chair of that Committee from 2007 to 2008.



Brian E. Forshaw (Publicly Owned Entity)

Brian Forshaw is the Publicly Owned Entity Sector representative and Chair-Elect for 2010. He is Director of Energy Markets for the Connecticut Municipal Electric Energy Cooperative (CMEEC), where he has worked for 28 years. CMEEC is a Connecticut joint-action power supply agency organized to secure reliable and low cost power supplies for municipal electric utilities. Brian currently represents CMEEC and other publicly owned utilities at NEPOOL. Additional responsibilities at CMEEC include long-term resource planning, strategic planning and contract negotiations.



Peter D. Fuller (Generation)

Pete Fuller is the Generation Sector representative and has over 9 years of representative participation in NEPOOL. He is Director, Regulatory & Market Affairs for NRG Energy, Inc., where he is responsible for NRG's state and federal regulatory and policy activities in New England. Pete served in 2006 and 2007 as the Chairman of the Participants Committee, and as the Co-Chair of the Installed Capacity Requirements Working Group. He is NRG's Member on the Participants Committee and each of the Technical Committees. He is Chairman of the New England Power Generators Association.



Douglas Hurley (Alternative Resources)

Doug Hurley, the newest addition to the officers, represents the Alternative Resources Sector. He is an Associate with Synapse Energy Economics, where he represents the interests of consumer advocates, environmental, and renewable resource clients at numerous NEPOOL and PJM stakeholder meetings. He was the lead client representative for three members of the Alternative Resources Sector in the LICAP settlement conferences which, with help from other parties, successfully included demand response and energy efficiency in the FCM design.



Donald J. Sipe (End User)

Don Sipe is the End User Sector representative. He is an attorney with Preti, Flaherty, Beliveau, Pachios & Haley. He represents, among other NEPOOL End User Participants, the Industrial Energy Consumer Group, the first End User Participant in NEPOOL. Don previously worked as Staff Attorney at the Maine Public Utilities Commission and had served in 2004 and 2005 as the Chairman of the Participants Committee.



Technical Committees

Markets Committee

Chair - ISO Appointed

Charles R. Ide (Through July)
Allison H. DiGrande (Since August)

Vice Chair - Participant-Elected

Cassandra M. Hennequin (Supplier)

Reliability Committee

Chair - ISO Appointed

Donald L. Gates

Vice Chair - Participant-Elected

William S. Fowler (Supplier/Generation)

Transmission Committee

Chair - ISO Appointed

Donald L. Gates

Vice Chair - Participant-Elected

Dorothy J. Capra (Generation)

Standing Subcommittees (Participants Committee)

Budget & Finance Subcommittee

Chair - NEPOOL Appointed

Joel S. Gordon (Supplier)

Membership Subcommittee

Chair - NEPOOL Appointed

Michael Lynch (Publicly Owned Entity)

FOCUS, FORUM, AND FEEDBACK to Meet New England's Energy Future

NEPOOL juggled in 2009 many diverse initiatives. In contrast to past years when there was a single, dominant initiative focusing the collective efforts of NEPOOL, ISO, and state regulators, this past year required concentrated focus by NEPOOL and its members on no less than a half dozen important initiatives, four of which this report highlights below. Those four initiatives include expansion of demand response, refinements to the fledgling Forward Capacity Market (FCM), growth in the use of, and reliance on, renewable energy, and efforts to enhance and refine credit assurance for the

region. In addition to these four broader initiatives, there continues to be much activity on efforts to define appropriate installed capacity requirements (ICR) and all associated values such as tie benefits, capability credits, local sourcing requirements and the like. As discussed in the following sections regarding the various forums for stakeholder dialogue, there continues to be heavy focus in regional planning on ensuring the region's reliability needs are all satisfied while identifying ways to expand and pay for transmission needed to expand renewable resources in and into New England.

THROUGH FOCUS



Focus on Forward Capacity Market

Since becoming the centerpiece of the broad settlement of the capacity market litigation in 2004 and 2005, the Forward Capacity Market (FCM) has been the topic of concerted and intense efforts to finalize, implement and refine FCM.

As required by the FCM settlement, the ISO's Internal Market Monitoring Unit (INTMMU) completed and presented in June a summary of its assessment of FCM, identifying some desired improvements. Those suggested improvements were added to address a list of concerns and proposals proposed by the ISO, regulators and Market Participants. Initially, that list was assembled through NEPOOL's constitution of an FCM Steering Group, which included representatives from the ISO, NECPUC and NEPOOL. The list generated by the Steering Group included also all of the ISO's prior commitments to the FERC. The FCM Steering Group was tasked to help prioritize efforts to address the many issues at hand, and to set the stage for the various parties to develop and present their positions and concerns.

The FCM Steering Group list included issues such as: the appropriate prices for capacity, whether to continue the price floor or collar and, if so, at what levels; details pertaining to the establishment of capacity zones and local zonal requirements; and refinement of the understandings of the rights and obligations of capacity resources. The region had already committed to the FERC to evaluate some of these issues and to reflect any Market Rule changes in a filing to be made by February 2010 in order to be in place for the fourth Forward Capacity Auction in August 2010.

At the request of, and with the active involvement and support of New England state regulators, the region formed an FCM Working Group in July, 2009, that was chaired by Rhode Island Commissioner Paul Roberti for NECPUC, NEPOOL Chairman Bob Stein, and ISO Vice-President of External Affairs Anne George. At the request of state regulators, they agreed to the appointment of a neutral person to assist the Working Group. The three organizations unanimously agreed to invite Ms. Cynthia Marlette, FERC's outgoing General Counsel, to assist as a neutral in the Working Group's efforts.

The FCM Working Group was constituted following a special meeting of the Participants Committee in July, with membership open to all interested Market Participants, electric consumers and consumer

advocates, and state and federal regulators. The Working Group met over the course of fourteen meetings between July and November 2009 to address many complex and interrelated concerns. NEPOOL and ISO counsel worked closely together to draft a design basis document that reflected the work and discussions of the FCM Working Group. With the assistance of the FERC neutral, the Working Group adjusted that design basis document to reflect the common ground that was achieved among the diverse interests, and then to identify alternative language to address concerns that were raised but for which there was not broad agreement.

Representative Issues Discussed by the FCM Working Group

- Proposals for improving (or fixing in the eyes of some) the Alternative Price Rule;
- Floors and caps on capacity prices for the next three Forward Capacity Auctions;
- Appropriate rules for determining the Cost of New Entry or CONE;
- Price guarantees for new capacity;
- Capacity zones and local zonal requirements; and
- The roles of demand resources and import capacity resources in FCM.

The Participants Committee conducted a special meeting in early November that entailed 16 individual roll call votes on versions of the design basis document and suggested changes to it. NEPOOL voted not only a design basis document that garnered the necessary level of support for NEPOOL approval, but also a version of that document in a form requested by the ISO.

It is clear from the FCM Working Group and Participants Committee efforts that there will be litigation over changes to FCM, but it is also equally clear that stakeholders and the ISO have far better understandings of each others' positions and the issues that remained at the end. The FCM issues are far narrower and better-defined than those presented at the beginning of the process.

Focus on Demand Resources

New England has been on the front lines of efforts to integrate demand resources into wholesale electricity markets, and much of that focus occurred in 2009. Perhaps one of the most telling indicators of the success of that effort is the fact that, in the FCM auctions, demand resources competed directly and successfully with new supply resources, and currently there are almost 3,000 MWs of demand resources subscribed to provide future capacity to the region.

This year began with the participation of demand resources in the wholesale power market as one of four issues the FERC directed be slated for exploration in its Order 719. Specifically, FERC required, among other items, that the ISO accept bids from demand response resources for certain ancillary services on a basis comparable to other resources and permit aggregators of retail customers to bid demand response on behalf of retail customers directly into the organized energy markets. In response Market Participants, state regulators and consumer advocates worked with the ISO on compliance and provided early feedback through votes in March and April.

Separate from its Order 719 effort, the region had previously approved a pilot program that permitted certain Alternative Resources such as the flywheels produced by NEPOOL member Beacon Power, to provide and be paid for ancillary services. That pilot program operated successfully throughout 2009, and ISO and NEPOOL agreed in October to extend it for another year as the region continues to explore ways to integrate alternative resources more directly into the ancillary services markets.

Also, the region worked in 2009 to meet its past commitments to address the integration of price-responsive demand (PRD) in the region's energy markets. In early market iterations, NEPOOL and ISO developed programs for load response to participate in the energy markets, and they committed to work together to develop more enduring changes as part of the fabric of the wholesale power markets. It became clear in spirited discussions that there is a wide array of opinions and proposals on how best to accomplish that result. Those opinions and proposals were explored in 2009 by NEPOOL and NECPUC members and the ISO in over two dozen Markets Committee meetings during which they focused on the development of potential design approaches to enhance PRD in the energy market. The focus provided by the Markets Committee was essential for Market Participants, consumer advocates and interest groups, state regulators, and the ISO to understand the implications of the proposals and to produce information to help assess the alternatives. In addition to the

positions and proposals of NEPOOL members that many recognize as industry leaders on demand response issues, the discussions prompted the formation of a coalition of interested parties that called themselves the Consumer Demand Response Initiative (CDRI) to develop and refine a proposal members of that coalition could support. NECPUC members also organized separately under the leadership of Commissioner Tim Wolff of the Massachusetts Department of Public Utilities to develop a state regulator-supported proposal for the region's consideration. To assist in comparing and contrasting the various proposals, NEPOOL counsel produced the PRD Evaluation Matrix. Discussion with the benefit of the PRD Evaluation Matrix led to the development of the PRD Design Basis Document, which summarizes the key PRD market design features, terms, and conditions. The drafting and review process for the PRD Design Basis Document has taken place through the fall of 2009 in the NEPOOL stakeholder process and is expected to culminate in a Participants Committee vote at the December meeting.

This intense focus on demand resources will continue in 2010. The region is currently awaiting further direction from the FERC on its Order 719 compliance filing, including whether there are any necessary changes to the region's rules and tools for the participation of Alternative Resources in the ancillary services markets. A filing with the FERC on this topic will be made to receive guidance on FERC's expectations for these resources. Thereafter, ISO and NEPOOL will work on developing Market Rules.



Focus on Renewables

For years, New England has been at the forefront of policies designed to foster the development of renewable energy. Several New England states were among the first to create “renewable portfolio standards” – requiring load serving entities to obtain a portion of their generation from renewable resources. Many of those same states also created clean energy funds and other programs to subsidize the development of renewable energy projects. NEPOOL was also part of this pioneering effort, creating in 2001 the first-of-its-kind Generation Information System (GIS) to track the fuel source and emission characteristics of every MWh settled in the ISO New England system or exported out of New England.

This focus on renewable generation intensified in 2009. At the policy level, the New England Governors released their Renewable Energy Blueprint, pointing out the “vast quantity of commercial-scale and advanced untapped renewable resources in the New England region.” Rhode Island enacted, and Massachusetts continued the implementation of, laws requiring electric distribution

companies to solicit bids for long-term power purchase agreements with renewable resources, following a model previously adopted by Connecticut. Vermont enacted a feed-in tariff, and Massachusetts continues to pursue solar development through the use of special renewable energy certificates and requirements. On the commercial side, Cape Wind continued its development, and Deepwater Wind and the Rhode Island Governor’s Office entered into a Joint Development Agreement for the development of an offshore wind project off the coast of Rhode Island. Numerous New England wind projects went commercial. Finally, NSTAR, Northeast Utilities and HQUS announced plans for a transmission line intended to provide a path for renewable energy from Canada into the region.

NEPOOL and the ISO have continued to be part of the rapid developments in the renewable energy area this year. The annual summer Participants Committee meeting provided a forum for a discussion on New England renewable energy issues. The Reliability Committee at its summer meeting also provided feedback on the draft New England Governors’ Renewable Energy Blueprint, including its various scenarios for developing renewable resources here in New England and accessing those in neighboring regions. At a more technical level, the Reliability Committee reviewed applications for many renewable generators being proposed throughout New England, including wind, biomass, photovoltaic, and hydro facilities. The Transmission Committee has also been involved in the focus on renewables through its active monitoring and comments in FERC proceedings regarding the integration of renewables into the transmission grid and the need to account for renewables in transmission planning.

The ISO has continued to advance its wind integration study, focusing on how the region will address the specific issues that would arise with a significant amount of wind generation in the region. The NEPOOL GIS continued to evolve with the region’s policies to provide the platform for compliance with those policies. And the NEPOOL GIS Operating Rules Working Group has participated in the discussions among all the renewable energy tracking systems in the country regarding how those systems could be used to provide a platform for compliance with a national renewable energy standard if, and when, one is created.



Focus on Financial Assurance 2009

With the upheaval in the nation's capital and credit markets beginning late last year, NEPOOL worked closely with the ISO to ensure that its billing, financial assurance and credit provisions pragmatically minimize the risks related to a financial default of one or more Market Participants. Since the earliest days of the ISO, New England has had billing and financial assurance policies in place that have successfully avoided economic harm for the region resulting from the insolvencies of multiple Market Participants. Other organized markets were not so successful, and the collapse of Lehman Brothers in 2008 and defaults by several affiliates of Towers Research in late 2007 caused the region to look hard at ways to further minimize credit risk while balancing the strong desire to maximize market liquidity. These issues continued to be explored throughout 2009 with the ISO Board, at the Budget and Finance Subcommittee, and finally at the Participants Committee. The changes in 2009 supported by the Participants Committee resulting from those deliberations included the following:

- Changes to the Financial Assurance Policies to improve protection to the region against the risk of resources committed in FCM defaulting on their capacity obligations;
- Changes to the Billing Policy to increase the frequency of bills from weekly to twice weekly, with a corresponding shortening of the time for payment of those bills;
- Refinements to the requirements for third-party letters of credit;
- The material reduction of the amount of unsecured credit that would be extended to most market participants; and
- The allocation of risk of defaults by entities that could continue to have unsecured credit away from all market participants and to only those entities.



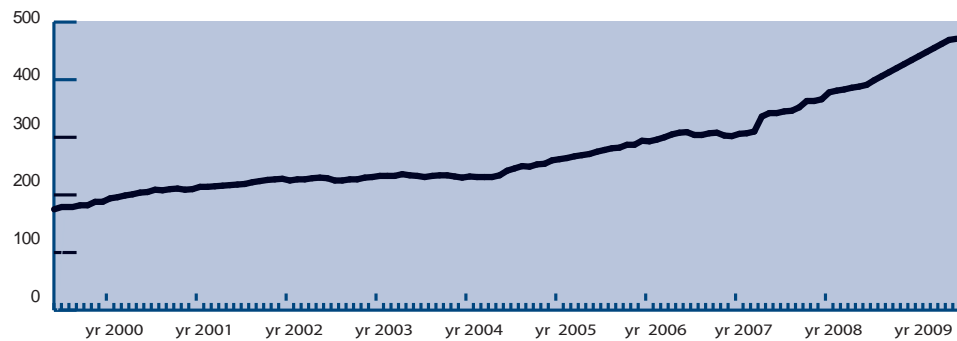
NEPOOL and the ISO also focused in 2009 on improving the transparency of and streamlining its Financial Assurance Policies. Going into 2009, the region had one financial assurance policy for the Market Participants, a second policy for Transmission Customers, and a third policy for entities that were trading only in Financial Transmission Rights or whose participation was limited to providing demand response in the region. These three policies were consolidated into a single, comprehensive and uniform policy. In addition, the region made changes to the policy in order to clarify ambiguous provisions that had caused problems for the ISO or individual Market Participants in the past.

These multiple changes are in the process of being implemented, with full implementation not expected until some time late in 2010. We expect that the region and the nation will remain focused on credit in the organized markets throughout 2010.



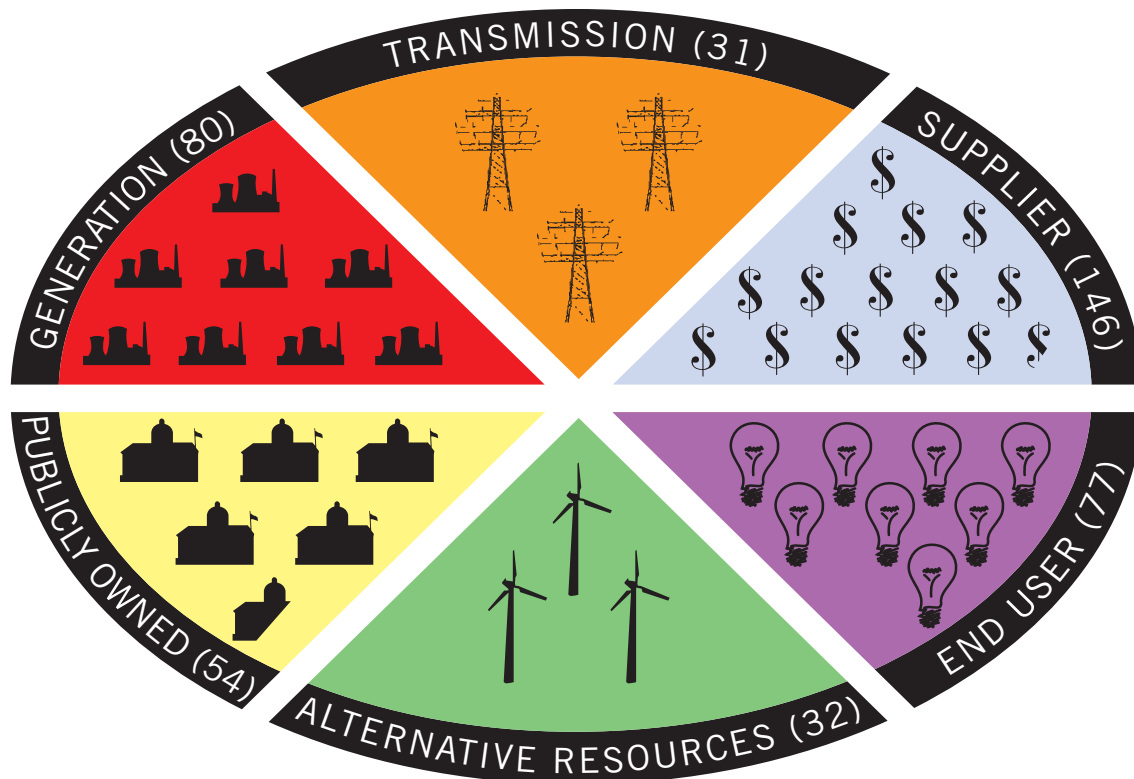
NEPOOL's Membership – The Foundation

NEPOOL continued to grow, with over 420 members as of December 1, 2009, 52 of which joined the organization this year. NEPOOL members include generation companies, transmission and distribution companies, municipal utilities, marketers, aggregators, demand response providers, developers, and end users.



The continued expansion of NEPOOL's membership in 2009 was driven by Participants seeking to participate directly in segments of New England's Markets, particularly the emerging Forward Capacity Market, Alternative Technologies Pilot Program, and the virtual markets created by Day-Ahead increment offers and decrement bids. Continuing recent trends, growth in 2009 was driven principally by marketers and aggregators joining the Supplier Sector, complemented by a number of smaller generation companies in the Generation and Alternative Resources Sector, capacity resource developers, and commercial and industrial customers.

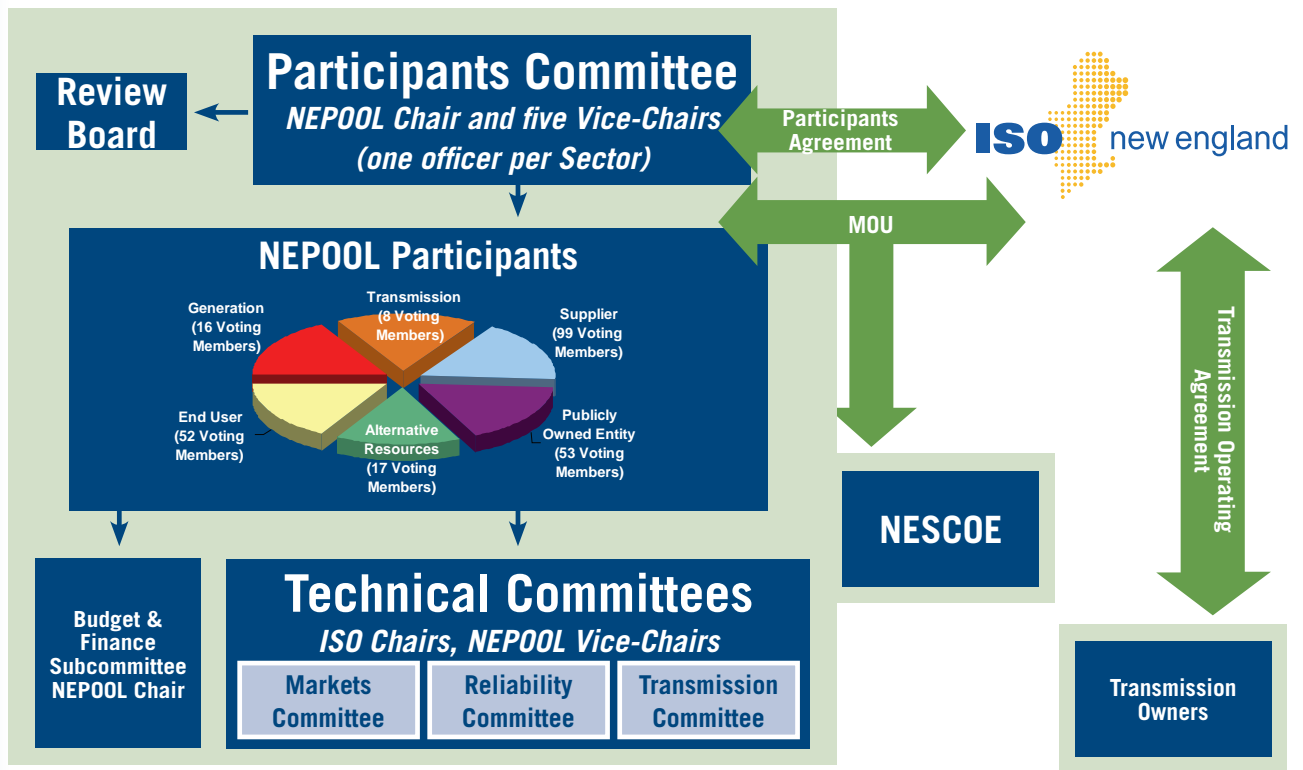
The continued growth in both the diversity and number of NEPOOL members enhances NEPOOL's ability to address emerging challenges for the region's wholesale markets. NEPOOL is, at its core, a participatory organization. Participants must continue their dynamic engagement in the NEPOOL stakeholder processes, welcome and encourage new members to become integral participants in those processes, and respect and accommodate the perspectives of all members, existing and new, as issues are considered and consensus is achieved.



THROUGH FORUM

NEPOOL STAKEHOLDER PROCESS

THROUGH FORUM



* as of December 1, 2009



Participants Committee

The Participants Committee is the key governing body of NEPOOL and every NEPOOL Participant is entitled to have a member on this Committee. The Participants Committee considers and acts on all matters affecting the region's wholesale electric power arrangements, either directly or by delegation. Even in cases of delegation to other NEPOOL groups, the members have opportunities to appeal to the Participants Committee any concerns with the actions of those groups. The scope of Participants Committee authority includes votes on ISO and Participant proposals concerning the ISO Tariff, including changes to the Market Rules, the OATT and general tariff provisions, Financial Assurance and Billing Policies, and the Information Policy. The Committee also acts on recommendations for Installed Capacity Requirements and related values, operating procedures, manuals, cardinal changes to GIS rules, and other system rules and procedures. It reviews and votes on the annual budgets of ISO, the New England State Committee on Electricity (NESCOE), and NEPOOL, and votes on whether to endorse candidates recommended for the ISO Board. In 2009, through the end of November, the Participants Committee voted on more than 98 resolutions, with at least an additional 7 votes scheduled for December.

The Participants Committee held 16 days of meetings in 2009. Those meetings included the Winter Meeting in Manchester, VT, a two-day Summer Meeting in Chatham, MA, and a November meeting at ISO headquarters in Holyoke, MA. In addition to its remaining regularly-scheduled monthly meetings held in Boston, MA, the Participants Committee held three special meetings – by teleconference in May to consider changes to Market Rules in light of inaccurate information concerning capacity imports that had been reported to NEPOOL and the FERC regulators, in Westborough, MA in July to consider a NECPUC request to engage the assistance of a neutral in connection with proposed FCM changes, and in November in Boston, MA to vote on the design basis document produced in the FCM Working Group, which is discussed more fully in the Focus on FCM section above.

The Participants Committee actively works to inform and involve all interested stakeholders and regulators. FERC Commissioner Suedeen Kelly attended NEPOOL's May meeting and shared her insights on the Smart Grid initiative and on the various legislative proposals concerning transmission. She commended the stakeholder process in New England, expressing the FERC's appreciation for the critical contribution NEPOOL makes with its stakeholder process and urging members to take full advantage of that process. Other key FERC staff members participated in NEPOOL meetings throughout the year, providing helpful input when appropriate and, importantly, also gaining perspective on the complex issues facing the region.

The Participants Committee is also a key forum for interaction with state regulators, policy makers and staff. Regulators from all six of the New England states participated in either or both the Winter and Summer meetings and meetings of specific interest to their commissions. Staff members from New England state commissions routinely attended and participated actively in Participants Committee meetings, as did representatives of the Northeast Power Coordinating Council (NPCC), NECPUC, and NESCOE.

The Participants Committee is also the Committee that meets biannually with the ISO Board of Directors. Both at the Summer meeting and the November meeting at ISO headquarters, individual Sectors each met with members of the ISO Board to discuss matters of specific interest to their Sectors.

The Participants Committee represents the NEPOOL Participants in proceedings before federal and state regulators. In 2009, the Participants Committee participated in, or actively monitored, more than 150 legal proceedings involving New England matters, including matters that progressed through the Federal Court system and two that reached the Supreme Court -- one addressing the application of the Mobile-Sierra standard to the FCM Settlement Agreement, and another over the authority to establish the resource adequacy requirements for the region. Those proceedings are identified at pages 17-20 of this Annual Report.



THROUGH FORUM

Markets Committee

As the NEPOOL Committee charged with advising the ISO and the Participants Committee on the design and operation of the region's wholesale electric markets, the Markets Committee worked hard in 2009 on various aspects of the FCM Design. As in past years, this Technical Committee was extremely active in 2009, holding 26 days of meetings through November, with another 4 days of meetings planned in December. In addition to the major Demand Response-related issues, the Markets Committee recommended many additions and changes to the FCM rules, in addition to providing to and receiving input from the FCM Working Group. These additions and changes reflected on experiences with the first three FCM auctions, completing unfinished business from the first round of FCM changes, complying with FERC directives, and seeking to further improve and refine the market.

FCM Changes Recommended by the Markets Committee

- Rules regarding qualification, reconfiguration auctions, bilaterals, rights and obligations, payments, performance and charges.
- Rules that clarify the role of local control centers in monthly capacity bilateral contracts.
- Rules that clarify the actual price data that Participants must submit to the ISO regarding bilateral contracts.
- Changes that require capacity imports to be offered more competitively during the ICAP transition period.
- Changes that align the resource qualification process for the reconfiguration auctions.
- Revisions to the significant decrease calculation.
- Deferral of the discussion on whether to institute a load reconstitution methodology.
- Changes that allow the Capacity Supply Obligation of a Real-Time Emergency Generation Resource to be transferred to other types of Resources.
- Changes that align the Qualification Process Cost Reimbursement Deposit timeline with the ISO's Billing Policy.
- Changes that increase flexibility for the return of Financial Assurance for Demand Resources.

Other actions of the Markets Committee included recommended changes to reform the mitigation framework for Net Commitment Period Compensation, implement a centralized Tariff definitions section, increase the Reserve Constraint Penalty Factor for local Ten Minute Operating Reserves, extend the current Real-Time Price and Day-Ahead Load Response Programs through May 2012, reflect state regulatory authority over the aggregation of retail customers, and create a mechanism to advise Load Serving Entities of customers enrolled in retail aggregation programs. The Markets Committee also considered and voted to recommend revisions to the rules for the Alternative Technologies Pilot Program. The pilot program is the first of its kind in the nation and allowed for implementation and testing of the fly wheel technology being commercialized by Beacon Power, a NEPOOL member also headquartered in New England. The 2009 revisions to this program allow new technologies, such as vehicle-to-grid and fuel-switching, that were not previously available to now be able to participate. Finally, as noted below, the Markets Committee approved numerous changes to the NEPOOL GIS.

Demand Response Working Group

The Demand Response Working Group, which reports to the Markets Committee, continued to address efforts relating to the participation of demand resources in FCM. The Working Group also worked in conjunction with the Markets Committee to develop the PRD Design Basis Document and evaluated topics associated with Order 719-A, Citizens Block Load, and dispatch zones.

Information Policy Working Group

The Information Policy Working Group, which also reports to the Markets Committee, reviewed the accessibility of information relating to NERC Reliability Standards, black start, and system restoration.

Meter Reader Working Group

The Meter Reader Working Group, which reports to the Markets Committee, addressed issues pertaining to Dispatchable Asset Related Demands, the Alternative Technologies Pilot Program, variances between initial and final settlements, the creation of capacity tags, load reconstitution, and Regional Network Service (RNS) Load Reporting.

Reliability Committee

With the many proposed improvements and upgrades to the region's transmission facilities, the NEPOOL Reliability Committee was busy in 2009 considering and recommending to the ISO and the Participants Committee numerous changes to the system and rules and standards needed for system operations. With input from a variety of task forces and sub-committees such as the Voltage Task Force, the Stability Task Force, the Transmission Task Force, and the Power Supply Planning Committee (PSPC), the Reliability Committee recommended Installed Capacity Requirements (ICR) for Power Year 2009/2010 as well as ICR and related values to be used in FCM. For approximately half the year, the Reliability Committee focused on an FCM-related project to consider and advise on potential rule changes regarding FCM and ICR-related values, requirements and assumptions. In 2009, the Reliability Committee provided NEPOOL advisory input to the ISO on transmission cost allocation (TCA) requests under the ISO Tariff, reviewing and providing advisory votes on proposals to allocate over \$4 billion in new Pool Transmission Facilities (PTF) costs for the region.



Transmission Committee

The NEPOOL Transmission Committee, over the course of 8 meetings and 16 votes, provided advisory input to the ISO and recommendations to the Participants Committee on the following efforts during 2009:

- The NEITC/ISO-NE Operating Agreement;
- Proposed changes to the RNS rate formula to allow construction work in progress costs to be recovered; and
- Tariff Amendments related to centralizing Tariff definitions.



Budget & Finance Subcommittee

The Budget & Finance Subcommittee spent much of its time in 2009 working through revisions to the ISO Financial Assurance and Billing Policies. One set of changes, which were worked through the Subcommittee and ultimately supported by a 81.88% vote of the NEPOOL Participants Committee, were to address the ISO's proposal (1) to reduce unsecured credit, (2) to modify the requirements for letters of credit under its Financial Assurance Policies, and (3) to adjust the allocation of payment defaults under its Billing Policy. Another set of changes worked through the Subcommittee were to conform the FCM-related provisions of the ISO Financial Assurance Policies to changes in the FCM Market Rules. These changes were unanimously approved by the Participants Committee. In addition, the ISO and the Budget & Finance Subcommittee over the course of three months successfully consolidated the ISO's three Financial Assurance Policies into one Policy, reducing by more than half of the number of ISO Tariff sheets devoted to financial assurance and significantly easing the administration of those credit policies for both the ISO and Market Participants. These efforts were in addition to the ongoing work of the Subcommittee monitoring and advising NEPOOL on the ISO operating and capital budgets, the NESCOE budget, and the NEPOOL budget.

The Budget & Finance Subcommittee has recommended the following NEPOOL budget for 2010 (with 2009 budget and forecast figures included for comparison)

<i>(Thousands of Dollars)</i>	2010	2009 (budget)	2009 (forecasted actual)
Operating Expenses	\$5,978	\$6,160	\$6,049
Revenue	(\$3,025)	(\$2,952)	\$3,086
Net Participant Expenses	\$2,953	\$3,208	\$2,963



GIS Operating Rules Working Group

The NEPOOL GIS creates and manages electronic certificates representing the fuel source, emissions and other attributes of all the power settled in the ISO's market settlement system, as well as attributes for certain behind-the-meter generators that are not settled in the ISO system and certain renewable generators that import power into New England. These certificates form the basis for retail bill disclosures, renewable portfolio standard compliance, environmental trading and investment incentives into the New England states. The GIS is owned by NEPOOL and is operated and administered by APX, Inc. The GIS Operating Rules Working Group (the Working Group), which reports to the Markets Committee, addresses changes to the GIS, including the Operating Rules governing the GIS.

In 2009, a potential change to the GIS Operating Rules that would allow for the unmasking of information in the quarterly and annual reports submitted to state regulatory agencies occupied a considerable amount of the Working Group's attention. This proposed change received attention from several New England state regulatory agencies and affected Market Participants, and in October was referred back to the Working Group by the Markets Committee to more narrowly craft the scope and substance of the proposal. The proposed change was revisited in the Working Group in late November. Further, the NEPOOL Markets Committee approved changes that conform these GIS Rules with the Massachusetts Renewable and Alternative Energy Portfolio Standards, broaden the exception to the 5 MW cap on self-reported generation, allow in limited circumstances the restoration of retired certificates, and add the Low Impact Hydropower Institute Certification as a voluntary trackable attribute.

The GIS now has 373 active accounts, with 68 of those accounts added in 2009. In addition, 907 approved generators have registered in the GIS, with 134 new generators joining in 2009. The GIS has created and managed over 140,164,607 certificates from the third quarter of 2008 through the second quarter of 2009, and over 8,805,383 Renewable Certificates were created during the first and second quarters of 2009.

Review Board and Review Board Liaison Committee

The Review Board is an independent, five-member board tasked with considering any appeals by NEPOOL members of NEPOOL's actions or failures to act. The Board is required to act on appeals within 35 business days. The Board is comprised of the following members:

Jacob Feinstein
Jon (Jack) Lotis
William Museler

Joseph Petrowski
Jay S. Siegel

The Participants Committee in 2009 renewed the terms of Review Board members Messrs. Feinstein and Museler, who completed their first terms in June.

The Review Board considered one appeal during 2009, granting in March an appeal by Brookfield of the failure of the Participants Committee to approve GIS Operating Rule changes to permit generators in non-adjacent Control Areas to receive unit-specific Certificates in the NEPOOL Generation Information System. This issue has not been re-raised yet with the Participants Committee since the Review Board decision.

The Review Board Liaison Committee exists in part to appraise the Review Board generally of NEPOOL matters so the Board can address quickly any appealed matters as they arise. The Committee, which is chaired by Mr. Thomas Kaslow, also serves as a point of contact for matters such as nomination for new Review Board members or renewal of members' terms. In 2009, this Committee met 3 times with the Review Board and reported on these meetings to the Participants Committee on administrative matters.

Membership Subcommittee

The level of Membership Subcommittee activity remained high during 2009, supporting and facilitating the opportunity for interested entities to begin direct participation in NEPOOL and the New England Markets. The Subcommittee met at least monthly to review, consider, and approve, pursuant to authority delegated to it by the Participants Committee, a continuous flow of applications for NEPOOL membership and requests to terminate Participant status. The Subcommittee approved nearly 50 entities for membership in NEPOOL and the termination of the Participant status of 23 entities. In addition, in response to industry developments, the Membership Subcommittee considered and recommended a change to the NEPOOL Agreement definition of Related Person.

Feedback

Through NEPOOL, informed and quality feedback is provided, at all levels, between and among Participants, state regulators and representatives, the ISO, and the FERC. Informal feedback, which is a combination of education on and definition of positions, helps to identify areas of consensus and resolve a great many issues, while narrowing and clarifying areas where consensus is not achieved through the give and take of the NEPOOL process. Formally, NEPOOL's feedback then culminates in votes of the Principal Committees. As indicated in the adjacent table, the Principal Committees have been extraordinarily active in 2009 with, in the aggregate, over 88 days of meetings and over 260 votes taken.

2009 Principal Committee Actions

	Days*	Votes**
Participants Committee	16	98
Markets Committee	39	67
Reliability Committee	25	80
Transmission Committee	8	16

*projected end of year

**as of December 8, 2009

THROUGH FEEDBACK



LEGAL PROCEEDINGS

FERC review and acceptance of proposed changes to New England's regional arrangements is a necessary prerequisite to the implementation of most changes. In 2009, there were more than 150 active FERC proceedings involving regional New England matters, marked by a continuing focus on the implementation of New England's Forward Capacity Market, improvements to the financial assurance arrangements, proceedings to address capacity import proceedings, and other market issues and improvements.

2009's legal proceedings highlight the continued success of regional focus, forum, and feedback in reducing the level of contested regulatory proceedings, with most proposals for Market Rule and other Tariff changes enjoying the joint support of NEPOOL and the ISO, and where applicable, transmission owners and others with filing rights. Where issues remained unresolved and were subsequently contested, many were limited and better defined by the NEPOOL stakeholder process. FERC continued in 2009 to refer back to NEPOOL any proposals raised before the FERC that have not been freely discussed.

- Of the over 150 active legal proceedings in 2009
 - 78 were resolved entirely within the Participant Processes
 - 29 were contested but resolved through paper hearings
 - 4 were resolved through or are in ongoing hearings or settlement proceedings
 - 12 were proceedings initiated by periodic reporting requirements
 - 18 were Regional ROE or RMR Agreement-related proceedings
 - 18 were administrative and rulemaking proceedings

NEPOOL counsel summarizes for members each month the legal proceedings relating to New England matters and developments in those proceedings for the prior month. A full listing of the legal proceedings that were active in 2009 is included at pages 17 to 20 of this Annual Report.



There are a limited number of requests for judicial review of FERC's decisions on proposed changes to New England's power arrangements. Currently, 4 appeals are pending before the United States Court of Appeals for the District of Columbia Circuit, and 2 appeals are pending before the United States Supreme Court. The Court of Appeals is considering the FERC's approval of Transmission Owners' return on equity (ROE) incentives; the ISO's 2009 revenue requirement; and cost allocation of out-of-market costs incurred in Southeastern Massachusetts (SEMA). The Supreme Court has been asked to review the Court of Appeal's decisions addressing the public interest standard aspect of the Forward Capacity Market Settlement and the question of jurisdiction as between the FERC and the states with respect to the New England Installed Capacity Requirement.

APPEALS

Appeals

US Supreme Court

<u>Docket</u>	<u>Appellant(s)</u>	<u>DC Circuit and FERC Dockets Appealed</u>
08-674	MPUC; CT AG/MA AG	Oral argument held Nov 3, 2009 Public Interest Standard - FCM Settlement / Transition Period Rules (06-1403, 06-1427, 07-1193) (ER03-563; ER06-1465)
09-277	CT DPUC et al.	Petition for a writ of certiorari filed Sep 2, 2009 ICR-Related Proceedings (07-1375, 07-1460, 08-1175) (ER07-365, ER07-655, ER05-718)

US Court of Appeals for the DC Circuit

<u>Docket</u>	<u>Appellant(s)</u>	<u>Order Appealed</u>
08-1199	Public Parties	RTO ROE Proceeding (ER04-157)
09-1039 consol.	CT AG/DPUC/OCC	ROE Incentives for UI Bethel-Norwalk Upgrade Costs; NU M-N Project (ER07-653; ER08-966)
09-1220	CT AG/OCC	ISO 2009 Revenue Requirement (ER09-197)
09-1231	MA Public Systems	SEMA Cost Allocation (EL08-48)



FERC PROCEEDINGS

Complaints

EL07-38	MPUC VAR Complaint
EL08-48	MPS LSCPR Complaint
EL09-5	Cargill Rollover Rights Complaint
EL09-8	Lavand & Lodge Complaint (Bid Mitigation Settlement Fund Payment)
EL09-42	Dartmouth Power Complaint (Appeal of RBA Denial)
EL09-47;48	ICAP Import Contract Complaints: CT DPUC/OCC; CTAG
EL09-51	Boralex Ashland LP Complaint (Transmission Priority for Capacity Imports)
EL09-60	Public Entities Complaint Concerning Elimination of NYPA Reserve Margin Gross-Up

Rate Filings

ER08-1328	2008/2009 Power Year Transmission Rate Filing Supplement
ER09-1532	2009/2010 Power Year Transmission Rate Filing
ER09-197	2009 Administrative Costs Budget
ER10-154	2010 Administrative Costs Budget
ER10-112	2010 Capital Budget/2009 Q3 Capital Projects Report
ER10-110	2010 NESCOE Budget
ER08-41	Tie Benefits Calculation and Allocation Compliance Filing
ES09-34	ISO Credit Lines

ICRs, HQICCs and Related Values

ER09-864	2009/2010 Power Year - ICRs
ER09-640	2011/2012 Power Year - ARA1 ICRs, HQICCs and Related Values
ER09-1415	2012/2013 Power Year - ICRs, HQICCs and Related Values

Forward Capacity Auction Filings

ER08-633	FCA1 Results Filing
ER08-633	FCA1 Proration Results Filing
ER09-467	FCA2 Results Filing
ER09-1424	FCA3 Qualification Informational Filing
ER10-186	FCA3 Results Filing

Market Rule 1 Changes, Interpretations and Waiver Requests

ER03-563	FCM Settlement Appeal Remand Order
ER08-41	Tie Benefits Calculation and Allocation
ER08-54	Alternative Technologies Regulation Pilot Program
ER08-697	Treatment of External Resources in the Capacity and Energy Markets
ER08-1209	Resources Needed for Reliability in the FCM
ER09-209	Elimination of Reserve Margin Gross-Up
ER09-329	PSEG Request for Limited Waiver of FCM Rules
ER09-356	Consolidated FCM Phase II Revisions
ER09-547	External Transaction NCPC Cost Allocation Changes
ER09-652	NU et al. Request for Limited Waiver of FCM QPCRD Payment Deadline
ER09-873	Competitive Offer Requirement for Capacity Imports
ER09-1003	FCM Omnibus 4 Revisions
ER09-1051	Order 719 Compliance Filing
ER09-1022	Exelon Request for Limited Waiver of FCM Rules
ER09-1029	Indicated DR Market Participants' Request for Limited Waiver of FCM Rules
ER09-1136	Market Rule 1 Housekeeping Changes
ER09-1144	FCM Phase II Changes: Rights and Obligations, Payments and Charges, and Performance
ER09-1227	Settlement Clarification Changes
ER09-1344	NextEra Request for Limited Waiver of FCM Rules
ER09-1347	Mirant Request for Waiver of Capacity Adjustment Rule for Vineyard Diesels
ER09-1408	Capacity Exports Through Import Constrained Zones Amendments
ER09-1546	NCPC Mitigation Reform
ER09-1569	FCM Reconfiguration Auction Rule Revisions
ER09-1666	Load Reconstitution for Demand Resources
ER09-1737	Extension of the RT Price Response and DA Load Response Programs
ER09-1746	Real-Time Emergency Generation Capacity Supply Obligation Transfers
ER09-1766	FRM Changes to Reflect FCM Implementation
ER10-52	Limited Changes to Alternative Technologies Regulation Pilot Program
ER10-61	FAP-Related Changes to the FCM Rules
ER10-97	Revised Reserve Constraint Penalty Factor for TMOR
ER10-150	NCPC Mitigation Reform Revised Tariff Sheets
ER10-278	NGrid Request for Waiver of FCM QPCRD Deadline
ER10-280	Laidlaw Berlin BioPower Request for Waiver of FCM QPCRD Deadline



FERC PROCEEDINGS

ROE Filings

ER04-157 et al.	RTO ROE Proceedings
EL08-74	ROE Incentives for MPRP (CMP)
EL08-77	ROE Incentives for MPC Project (CMP and MPS)
ER07-653	ROE Incentives for Bethel-Norwalk Transmission Upgrade Costs (UI)
ER08-966	ROE Incentives for Middletown-to-Norwalk Project (NU)
ER08-1548	ROE Incentives for NEEWS (NU and NGrid)
ER09-14	ROE Incentives for 345kV Project and SEMA Upgrade Projects (NSTAR)
EL08-69	NECPUC ROE Complaint
ER09-938	CMP Inclusion of MPRP CWIP in RNS Rate; Conforming Changes to Schedule 21-CMP

Financial Assurance Policy Amendments

ER08-54	Municipal Market Participant Qualitative Criteria for Unsecured Credit
ER09-319	FCM and FTR-Related Changes; Clean-up Changes
ER09-454	Municipal Participant Qualification, Accelerated Billing Cycle, Pre-Payment/Auto-Debiting et al.
ER09-932	Shortened Billing Cycle; Accelerated Payment to Net Sellers
ER09-1470	Consolidated Financial Assurance Policy and Related Revisions
ER09-1721	Qualification Process Cost Reimbursement Deposit (QPCRD)
ER10-62	Changes to FCM-Related Provisions of the Financial Assurance Policy

OATT Amendments/Coordination Agreements

ER10-108	ISO Tariff Centralized Definitions Section
ER09-291	ISO-NE/NYISO Coordination Agreement
ER07-476 et al.	LFTR Package
ER09-290	MEPCO Grandfathered Transmission Service Agreements
ER08-54	Order 890 Compliance Filing
OA08-58	Order 890 Attachment K Compliance Filing
ER07-397	Schedule 2 (VAR Support) Amendments - Transition Period Double Recovery Issue

RMR Agreements

ER09-1535	Berkshire - Inclusion of CO ₂ Emissions Allowance Costs In Stipulated Bids
EL09-3	Berkshire - MA Municipals Complaint To Terminate RMR Agreement
ER09-384	Middletown/Montville – Inclusion of CO ₂ Emissions Allowance Costs
ER06-118	Montville and Middletown Annual Informational Filing
ER09-487	NAEA – Inclusion of CO ₂ Emissions Allowance Costs
ER07-799 et al.	Norwalk Power – Settlement Activity
ER09-215	Pittsfield - Change in Agent
ER09-434	Pittsfield– Inclusion of CO ₂ Emissions Allowance Costs
ER09-507	PSEG – Inclusion of CO ₂ Emissions Allowance Costs

Regional Reports

7709-4	2008 Annual Markets Reports
ER09-716	Capital Projects Report 2008 Q4
ER09-1153	Capital Projects Report 2009 Q1
ER09-1587	Capital Projects Report 2009 Q2
ER10-112	Capital Projects Report 2008 Q3
ER09-1282	IMMU Report Analyzing FCM Operations and Effectiveness
RT01-99 et al.	ISO/RTO Seams Status Reports
ER07-476	LFTR Implementation Quarterly Status Reports
ER03-345	Load Response Status Reports
ER08-54	Non-Generating Resource Participation in Regulation Market Quarterly Reports
OA97-237	Quarterly Markets Reports - 2008 Q2-Q4; 2009 Q1
ER06-613	Reserve Market Semi-Annual Compliance Reports

Membership Filings

ER09-491	Jan 2009 Membership Filing
ER09-620	Feb 2009 Membership Filing
ER09-924	Apr 2009 Membership Filing
ER09-1083	May 2009 Membership Filing
ER09-1222	Jun 2009 Membership Filing
ER09-1394	Jul 2009 Membership Filing
ER09-1528	Aug 2009 Membership Filing
ER09-1651	Sep 2009 Membership Filing
ER09-1770	Oct 2009 Membership Filing
ER10-161	Nov 2009 Membership Filing
ER10-326	Dec 2009 Membership Filing

THROUGH FEEDBACK

FERC PROCEEDINGS



Schedule 20/21 Updates

ER10-229	Schedule 20A Clarifications
ER08-627	Schedule 20A-NSTAR HQICC Relinquishment Charge
ER09-960	Schedule 20A-NU and 21-NU Holyoke Clean-Up Changes
ER09-1095	Schedule 20A-VEC and 21-VEC – 2009 Transmission Formula Update
ER09-936	Schedule 21-BHE Annual Informational Filing
ER09-934	Schedule 21-BHE Change to Forward Looking Formula Rate
ER09-584	Schedule 21-BHE Clean-Up Filing
ER09-1103	Schedule 21-BHE Evergreen Wind Service Agreement
ER10-110	Schedule 21-BHE Local Service Agreements
ER09-1374	Schedule 21-CMP Annual Informational Filing
ER10-199	Schedule 21-CMP KLPD Local Service Agreement
ER09-958	Schedule 21-CV Revisions to Annual Revenue Requirement
ER09-1498	Schedule 21-FGE Annual Informational Filing
OA09-16	Schedule 21-NU Penalty Revenue Distribution Methodology
ER08-1051	Schedule 21-NSTAR Annual Informational Filing
ER09-1243	Schedule 21-NSTAR Annual Informational Filing
ER07-549 et al.	Schedule 21-NSTAR Merger Changes
ER09-345	Schedule 21-UI Localized Cost Sharing Agreements
ER10-180	Schedule 21-UI Localized Cost Sharing Agreements
ER09-1173	Schedule 21-VT Transco VT Yankee LGIA

Administrative Proceedings

AD07-7	Competition in Wholesale Power Markets
AD08-7	NOI Regarding Annual Charges Assessments for Public Utilities
AD09-2	Conference on Credit and Capital Issues Affecting the Electric Power Industry
AD09-4	Conference on Integrating Renewable Resources into the Wholesale Electric Grid
AD09-7	Order No. 889 Waiver Order
AD09-8	Conference on Transmission Planning Processes Under Order 890
AD09-9	Small Hydropower Development Technical Conference
AD09-10	National Action Plan on Demand Response
PL09-4	Proposed Smart Grid Policy

Rule Makings

RM09-17	Annual Update of Part 381 Filing Fees
RM05-5	Order 676-C: Standards for Business Practices
RM06-8	Order 681-B: LFTRs in Organized Markets
RM04-7	Order 697: Market-Based Rate Reforms
RM07-19	Order 719: Wholesale Competition in Regions With Organized Electric Markets
RM05-17/25	Order 890: OATT Reform
RM05-5	NOPR - Measurement Standards for Demand Response Services

Audits

FA09-6	FERC Audit of ISO Accounting and Financial Reporting Compliance
RT04-2	RTO Independence Audit

Other

ER09-613	CSC Requests for Waiver of WEQ Standards; Order 676-C Compliance Filing
ER09-1454	CT DPUC Information Policy State Certification
ER09-192	IMMU Contract New England Governors' Renewable Energy Blueprint
ER08-1281	NYISO Filing Precluding External Tranx Over 8 Scheduling Paths (Exigent Circumstances)
ER09-198	NYISO Filing Precluding External Tranx Over 8 Scheduling Paths (Permanent)
EL09-20	NU/NSTAR HQ-New Hampshire Line Declaratory Order
ER09-626	PTOs'/ SSPs' Requests for Waiver of WEQ Standards; Order 676-C Compliance Filings

Operative Documents

Second Restated NEPOOL Agreement (2d RNA)

http://www.iso-ne.com/regulatory/restatd_nepool_agree/index.html

Participants Agreement (PA)

http://www.iso-ne.com/regulatory/part_agree/index.html

Market Participant Service Agreement (MPSA)

http://www.iso-ne.com/regulatory/tariff/attach_a/index.html

ISO Tariff (Tariff)

<http://www.iso-ne.com/regulatory/tariff/index.html>

Manuals

http://www.iso-ne.com/rules_proceeds/isone_mnls/index.html

Operating Procedures (OPs)

http://www.iso-ne.com/rules_proceeds/operating/index.html

Planning Procedures (PPs)

http://www.iso-ne.com/rules_proceeds/isone_plan/index.html

Transmission Owners Agreement (TOA)

<http://www.iso-ne.com/regulatory/toa/index.html>

MEPCO Transmission Operating Agreement (MEPCO TOA)

http://www.iso-ne.com/regulatory/toa/mepco_toa.pdf

Phase I/II HVDC Transmission Operating Agreement (HVDC TOA)

http://www.iso-ne.com/regulatory/toa/hvdc_toa.pdf

Phase I/II HVDC-TF Transmission Service Administration Agreement (TSAA)

http://www.iso-ne.com/regulatory/toa/phase_I-II_hvdc-tf-tsaa.pdf

Interconnection Operators Agreement (IOA)

http://www.iso-ne.com/regulatory/co_agree/index.html

Asset Owners Agreement (AOA)

http://www.iso-ne.com/regulatory/co_agree/index.html

Highgate Interconnection Operators Agreement

http://www.iso-ne.com/regulatory/co_agree/index.html

New Brunswick Coordination Agreement

http://www.iso-ne.com/regulatory/co_agree/index.html

NYISO Coordination Agreement

http://www.iso-ne.com/regulatory/co_agree/index.html

Interregional Coordination and Seams Issue Resolution Agreement

http://www.iso-ne.com/regulatory/ferc/filings/2004/jun/rt04_2_06_22_04.pdf

Generation Information System (GIS) Operating Rules

http://www.iso-ne.com/regulatory/ferc/filings/2004/jun/rt04_2_06_22_04.pdf

Review Board Rules of Procedure and Code of Conduct and Ethics Policy

http://www.iso-ne.com/committees/comm_wkgrps/prtcpnts_comm/rvwbrd/prps/index.html

Memorandum of Understanding Among ISO, NEPOOL, and NESCOE

http://www.iso-ne.com/regulatory/part_agree/index.html



NEPOOL Participants*

511 Plaza, LP
 511 Plaza Energy, LLC
 AB Energy NE Pty. Ltd
 Advanced Power Services (NA) Inc.
 American PowerNet Management, LP
 Ampersand Energy Partners LLC
 ANP Funding I, LLC
 Ansonia Generation, LLC
 Ashburnham Municipal Light Plant
 Associated Industries of Massachusetts
 Athens Energy LLC
 Backyard Farms, LLC
 Backyard Farms Energy, LLC
 Bangor Hydro-Electric Company
 Bank of America, N.A.
 Barclays Bank PLC
 Beacon Power Corporation
 Bear Swamp Power Company LLC
 Belmont Municipal Light Department
 Berkshire Power Company, LLC
 BG Dighton Power, LLC
 BG Energy Merchants, LLC
 BJ Energy, LLC
 Black Bear Hydro Partners, LLC
 Black Oak Energy, LLC
 Blackstone Hydro, Inc.
 Boralex Stratton Energy Inc.
 Boston Generating, LLC
 Boulder Trading, LLC
 Boylston Municipal Light Department
 BP Energy Company
 Braintree Electric Light Department
 Bridgeport Energy II, LLC
 Brookfield Energy Marketing Inc.
 Brookfield Renewable Energy
 Marketing US LLC
 Burlington Electric Department
 Caithness New England Services Company, LLC
 Calpine Energy Services, LP
 Cape Light Compact
 Cargill Power Markets, LLC
 Central Maine Power Company
 Central Vermont Public Service
 CHI Power Marketing, Inc.
 Chicopee Municipal Lighting Plant
 Cianbro Companies, The
 Cianbro Energy, LLC
 CinCap IV, LLC
 CinCap V, LLC
 Cinergy Capital & Trading, Inc.
 Cinergy Services, Inc.
 Citadel Energy Investments Ltd.
 Citigroup Energy Inc.
 Clearview Electric Inc.
 CMS Marketing Services and Trading
 Competitive Energy Services, LLC
 Competitive Power Ventures, Inc.
 Converge, Inc.
 Concord Municipal Light Plant
 Concord Steam Corporation
 Conectiv Energy Supply Inc.
 Connecticut Central Energy, LLC
 Connecticut Clean Energy Fund
 Connecticut Jet Power LLC
 Connecticut Light and Power Company, The
 Connecticut Municipal Electric Energy
 Cooperative
 Connecticut Resources Recovery Authority
 Conservation Law Foundation
 Conservation Services Group, Inc.
 Consolidated Edison Co. of New York, Inc.
 Consolidated Edison Development, Inc.

Consolidated Edison Energy, Inc.
 Consolidated Edison Solutions, Inc.
 Consolidated Hydro New Hampshire, Inc.
 Constellation Energy Commodities
 Group, Inc.
 Constellation NewEnergy, Inc.
 Corinth Energy LLC
 Corinth Wood Pellets, LLC
 Covanta Maine LLC
 Covanta Haverhill Associates, LP
 CP Energy Marketing (US) Inc.
 CPower, Inc.
 Credit Suisse Energy LLC
 Cross-Sound Cable Company, LLC
 Danvers Electric Division
 Dartmouth Power Associates, LP
 DB Energy Trading, LLC
 DC Energy, LLC
 Dennis Beverage Company, Inc.
 Dennis Energy, Inc.
 Deutsche Bank AG, London Branch
 Devon Power LLC
 Devonshire Energy LLC
 DFC-ERG Milford, LLC
 Dighton Power Associates Limited
 Partnership
 Direct Energy Business, LLC
 Discount Power, Inc.
 Dominion Energy Marketing, Inc.
 Dominion Nuclear Connecticut, Inc.
 Dominion Retail, Inc.
 DownEast Power Company, LLC
 Dragon Energy LLC
 Dragon Products Company LLC
 DTE Energy Trading, Inc.
 Duke Energy Ohio, Inc.
 Dynegy Power Marketing, Inc.
 East Avenue Energy LLC
 Easy Energy of Massachusetts, LLC
 ECO Industries, LLC
 EDF Trading North America, LLC
 Edison Mission Marketing & Trading, Inc.
 eKapital Investments LLC
 Elektrisola, Inc.
 Emera Energy Services, Inc.
 Emera Energy Services Subsidiary No. 1 LLC
 Emera Energy Services Subsidiary No. 2 LLC
 Emera Energy Services Subsidiary No. 3 LLC
 Emera Energy Services Subsidiary No. 4 LLC
 Emera Energy U.S. Subsidiary No. 1 Inc.
 Emera Energy U.S. Subsidiary No. 2 Inc.
 EMI Power Systems, LLC
 Endure Energy, LLC
 Energy America, LLC
 Energy Management, Inc.
 Energy New England LLC
 Energy Services Group, Inc.
 EnerNOC, Inc.
 Energy Federation Inc.
 Energy Plus Holdings LLC
 Entergy Nuclear Power Marketing LLC
 EnvaPower, Inc.
 EPIC Merchant Energy NE, LP
 ESI Northeast Energy GP, Inc.
 ESPI New England Inc.
 Evergreen Wind Power, LLC
 Evergreen Wind Power III, LLC
 Evergreen Wind Power V, LLC
 Exelon Generation Company, LLC
 Exelon New Boston, LLC
 Exelon New England Holdings, LLC
 Fairchild Energy, LLC

First Commodities Ltd.
 FirstLight Hydro Generating Company
 FirstLight Power Resources Management, LLC
 First Wind Energy, LLC
 First Wind Energy Marketing, LLC
 Fitchburg Gas and Electric Light Company
 Florida Power & Light Company
 Food City, Inc.
 Fortis Energy Marketing & Trading GP
 FPL Energy Maine Hydro, LLC
 FPL Energy Maine, Inc.
 FPL Energy Mason, LLC
 FPL Energy Seabrook, LLC
 FPL Energy Wyman IV, LLC
 FPL Energy Wyman, LLC
 Franklin Power LLC
 Fulcrum Power Marketing LLC
 Galt Power, Inc.
 Garland Manufacturing Company
 Garland Power Company
 Gas Recovery Systems, LLC
 GDF Suez Energy Marketing NA, Inc.
 GDF Suez Energy Resources, NA, Inc.
 GenConn Energy LLC
 GenPower Trading, LLC
 Georgetown Municipal Light Department
 Gexa Energy LLC
 Glacial Energy of New England, Inc.
 GLE Trading LLC
 Granite Ridge Energy, LLC
 Granite State Electric Company
 Great Bay Power Marketing, Inc.
 Green Berkshires, Inc.
 Green Mountain Power
 Greenville Steam Company
 Groton Electric Light Department
 Groveland Electric Light Department
 H.Q. Energy Services (U.S.) Inc.
 Hammond Belgrade Energy LLC
 Hammond Lumber Company
 Hampshire Council of Governments
 Hardwood Products Company
 Hardwood Energy LLC
 Harvard Dedicated Energy Limited
 Hess Corporation
 Highland Wind LLC
 Hingham Municipal Lighting Plant
 Holden Municipal Light Department
 Holyoke Gas & Electric Department
 Horizon Power and Light LLC
 Hudson Energy Services, LLC
 Hudson Light and Power Department
 Hull Municipal Lighting Plant
 Iberdrola Renewables, Inc.
 Indeck Energy-Alexandria, LLC
 Industrial Energy Consumer Group
 Industrial Power Services Corporation
 Integrys Energy Services, Inc.
 Invenergy Thermal Connecticut LLC
 IPA Charles, LLC
 IPA Mill, LLC
 IPA New Haven, LLC
 Ipswich Municipal Light Department
 J. Aron & Company
 J.F. Gray & Associates, LLC
 J.P. Morgan Ventures Energy Corporation
 Jump Power LLC
 Katahdin Paper Company LLC
 Katahdin Paper Energy LLC
 Kennebec River Energy, LLC
 KeyTex Energy LLC
 Kimberly-Clark Corporation

NEPOOL Participants continued...

Kleen Energy Systems, LLC	New Hampshire Industries, Inc.	Shrewsbury's Electric Light Department
Koch Supply & Trading, LP	New Hampshire Office of Consumer Advocate	SIG Energy, LLLP
LaBree's, Inc.	New York State Electric & Gas, Inc.	Silverhill Ltd.
LaBree's Energy, LLC	NextEra Energy Power Marketing, LLC.	SJH Energy LLC
Lake Road Generating Company, L.P.	NextEra Energy Resources, LLC	Solios Power, LLC
Lavalley Energy LLC	Noble Environmental Power, LLC	Somerset Power LLC
Lavalley Lumber Co.	North American Energy Credit and Clearing-Delivery LLC	South Hadley Electric Light Department
LDH Energy Funds Trading, Ltd.	North Attleborough Electric Department	South Jersey Energy Company
Liberty Power Delaware LLC	Northern States Power Company	Spark Energy, LP
Liberty Power Holdings, LLC	Norwalk Power LLC	St. Joseph Health Services of Rhode Island
Lighthouse Energy Trading Company, Inc.	Norwood Municipal Light Department	StatArb Investment, LLC
Lincoln Paper and Tissue, Inc.	NRG Power Marketing, LLC	State of Connecticut, Office of Consumer Counsel
Linde Energy Services, Inc.	NSTAR Electric Company	Sterling Municipal Electric Light Department
Littleton (MA) Electric Light Department	NYSEG Solutions, Inc.	Stetson Wind II, LLC
Littleton (NH) Water and Light Department	Ontario Power Generation Inc.	Stowe Electric Department
Long Island Lighting Company d/b/a LIPA	Order of St. Benedict of New Hampshire, d/b/a St. Anselm College	Summit Hydropower, Inc.
Longfellow Wind, LLC	PalletOne Energy LLC	Sutton Energy, LLC
Louis Dreyfus Energy Services L.P.	PalletOne of Maine	Swift River Trading Company LLC
Lowell Cogeneration Co. Limited Partnership	Palmco Power CT, LLC	Taunton Municipal Lighting Plant
LP&T Energy LLC	Parkview Adventist Medical Center	TCPL Power Ltd.
Luminescent Systems, Inc.	Parkview AMC Energy, LLC	Templeton Municipal Lighting Plant
Madison Electric Works	Pascoag Utility District	The Energy Consortium
MAG Energy Solutions, Inc.	Patriot Partnership LLC	The Energy Council of Rhode Island
Maine Health & Higher Educational Facilities Authority	Paxton Municipal Light Department	Tiverton Power Associates Limited Partnership
Maine Public Service Company	Pawtucket Power Holding Company	Towantic Energy, LLC
Maine Skiing, Inc.	Peabody Municipal Light Plant	TransAlta Energy Marketing (U.S.) Inc.
Maine Woods Pellet Company LLC	Pepco Energy Services, Inc.	TransCanada Energy Ltd.
Manchester Methane, LLC	PER Development, LLC	TransCanada Power Marketing Ltd.
Mansfield Municipal Electric Department	Pinpoint Power, LLC	Turner Energy LLC
Macquarie Cook Power Inc.	Plainfield Renewable Energy, LLC	Twin Cities Energy, LLC
Marblehead Municipal Light Department	Power Bidding Strategies, LLC	Twin Cities Power, LLC
Marden's, Inc.	Powerex Corp.	UBS AG, acting through its London Branch
Massachusetts, Office of the Attorney General	PowerOptions, Inc.	Union of Concerned Scientists, Inc.
Massachusetts Bay Transportation Authority	PPL EnergyPlus Co.	Union Leader Corporation
Massachusetts Development Finance Agency	PPL Maine, LLC	United Illuminating Company, The
Massachusetts Electric Company	PPL Wallingford Energy, LLC	Unitil Energy Systems, Inc.
Massachusetts Municipal Wholesale Electric Company	Praxair, Inc.	UNITIL Power Corp.
Massachusetts Port Authority	Princeton Municipal Light Department	Utility Services, LLC
MASSPOWER	PSEG Energy Resources & Trade LLC	v2g NE
MATEP LLC	Public Power & Utility, Inc.	Velocity American Energy Master Fund I, LP
Mead Oxford Corporation	Public Service Company of New Hampshire	Verde Energy USA, Inc.
Merchants Plaza, LLC	Quality Egg of New England, LLC	Vermont Electric Cooperative
Merchants Plaza Energy, LLC	Rainbow Energy Marketing Corporation	Vermont Electric Power Company, Inc.
Merrill Lynch Commodities, Inc.	RBC Energy Services LP	Vermont Energy Investment Corporation
Merrimac Municipal Light Department	Reading Municipal Light Plant	Vermont Marble Company
Middleborough Gas and Electric Department	Record Hill Wind LLC	Vermont Public Power Supply Authority
Middleton Municipal Electric Department	ResCom Energy LLC	Vermont Transco LLC
Middletown Power LLC	Ridgewood Maine Hydro Partners, L.P.	Vermont Wind
Milford Power Company, LLC	Ridgewood Rhode Island Generation, LLC	Vermont Yankee Nuclear Power Corporation
Milford Power Limited Partnership	RJF – Morin Brick LLC	Viridian Energy, Inc.
Millennium Power Partners, LP	RJF – Morin Energy LLC	Viridity Energy, Inc.
Miller Hydro Group, Inc.	RHM Energy, LP	Wakefield Municipal Gas and Light Department
Mirant Canal, LLC	Robbins Energy LLC	Waterbury Generation LLC
Mirant Energy Trading, LLC	Robbins Lumber Inc.	Waterside Power, LLC
Mirant Kendall, LLC	Rocky Gorge Corporation	Watertown Renewable Power, LLC
Montgomery Energy Billerica Power Partners, LP	Rowley Municipal Light Plant	Wellesley Municipal Light Plant
Montville Power LLC	Rumford Power Associates Limited Partnership	West Boylston Municipal Lighting Plant
Morgan Stanley Capital Group, Inc.	Saracen Energy, LP	The Westerly Hospital
MxEnergy Electric Inc.	Saracen Energy East LLC	Westerly Hospital Energy Company, LLC
NAEA Energy Massachusetts, LLC	Saracen Power LLC	Western Massachusetts Electric Company
NAEA Newington Energy, LLC	Saracen Energy Power Trading LP	Westfield Gas & Electric Light Department
Narragansett Electric Company	Select Energy Inc.	West Oaks Energy NY/NE, LP
Nationwide Energy, LLC	Sempa Power System LTD	WFM Intermediary New England, LLC
New Brunswick Power Generation Corporation	Sempra Energy Solutions	Wheelabrator Bridgeport, LP
New England Confectionery Company Inc.	Sempra Energy Trading Corp.	Wheelabrator Claremont Company, L.P.
New England Independent Transmission Company, LLC	Seneca Energy II, LLC	Wheelabrator North Andover, Inc.
New England Power Company	SESCO Enterprises, LLC	Whole Foods Market Group, Inc.
New England Wire Technologies Corporation	Shell Energy North America (US) L.P.	Wolfeboro Municipal Electric Department
New Hampshire Electric Cooperative, Inc.	Shipyards Brewing Co., LLC	WM Renewable Energy, LLC
	Shipyards Energy LLC	Z-TECH, LLC

*as of December 1, 2009



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