

***FERC Technical Conference
Interconnection Queuing Practices
Washington, DC
December 11, 2007***

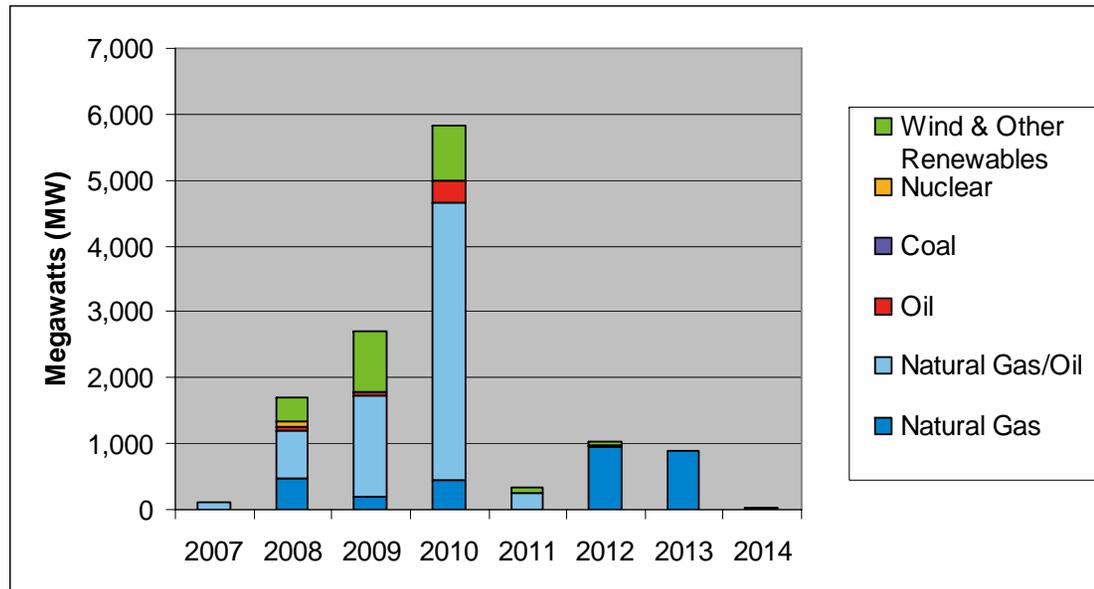
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Generation Interconnection Queue Update

Generation Interconnection Queue Update

- Interconnection requests remain active with three new generation projects applying for interconnection study in just the past month
 - All have projected in-service dates of 2008 through 2010
- In total, 95 generation projects are currently being processed by ISO New England (ISO), totaling approximately 12,600 MW
- New England's new Forward Capacity Market (FCM) and various state sponsored solicitations for new capacity have encouraged the development of new resources

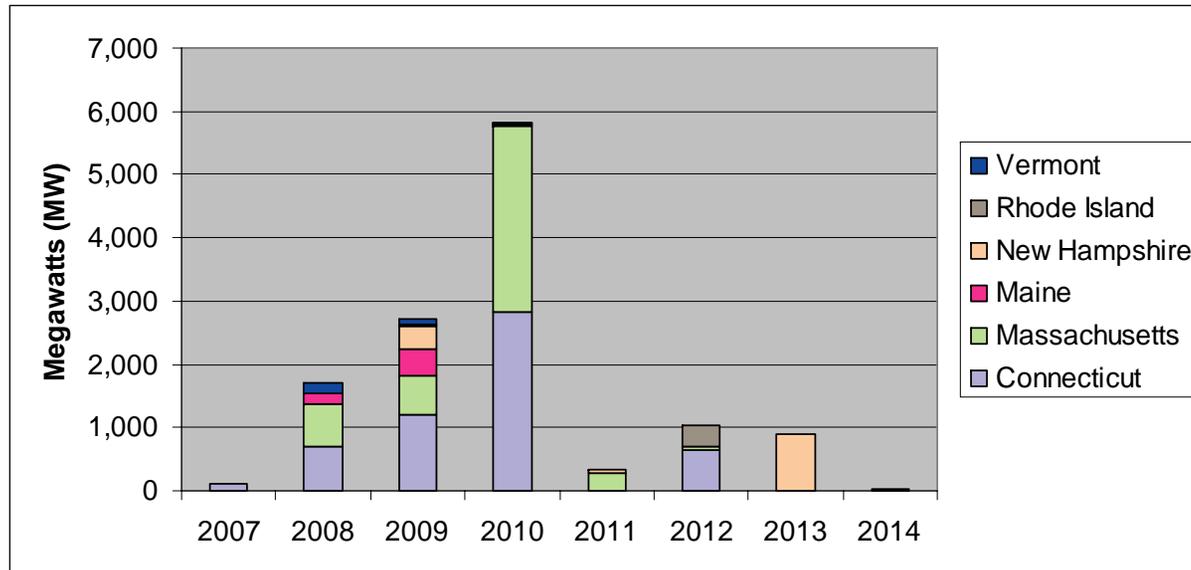
Actual and Projected Annual Capacity Additions By Fuel Type



	2007	2008	2009	2010	2011	2012	2013	2014	Total	% of Total
Wind & Other Renewables	9	366	911	859	84	43	0	41	2,313	18.3
Nuclear	0	70	0	0	0	0	0	0	70	0.6
Coal	0	0	0	0	0	30	0	0	30	0.2
Oil	8	54	78	323	0	0	0	0	463	3.7
Natural Gas/Oil	89	736	1,512	4,222	244	0	0	0	6,803	53.7
Natural Gas	13	471	204	434	0	954	904	0	2,980	23.5
Totals	119	1,697	2,705	5,838	328	1,027	904	41	12,659	100.0

- To date, approximately 100 MW of new generation has gone into service in 2007. An additional 23 MW is projected to be in commercial operation by the end of the year

Actual and Projected Annual Capacity Additions By State



	2007	2008	2009	2010	2011	2012	2013	2014	Total	% of Total
Vermont	8	145	82	6	0	0	0	0	241	1.9
Rhode Island	0	0	24	0	0	320	0	0	344	2.7
New Hampshire	0	24	350	45	41	0	904	41	1,405	11.1
Maine	0	150	442	27	0	0	0	0	619	4.9
Massachusetts	9	680	603	2,929	287	73	0	0	4,581	36.2
Connecticut	102	698	1,204	2,831	0	634	0	0	5,469	43.2
Totals	119	1,697	2,705	5,838	328	1,027	904	41	12,659	100.0

- To date, approximately 100 MW of new generation has gone into service in 2007. An additional 23 MW is projected to be in commercial operation by the end of the year

Forward Capacity Market Supply Resource Qualification Update

Forward Capacity Market

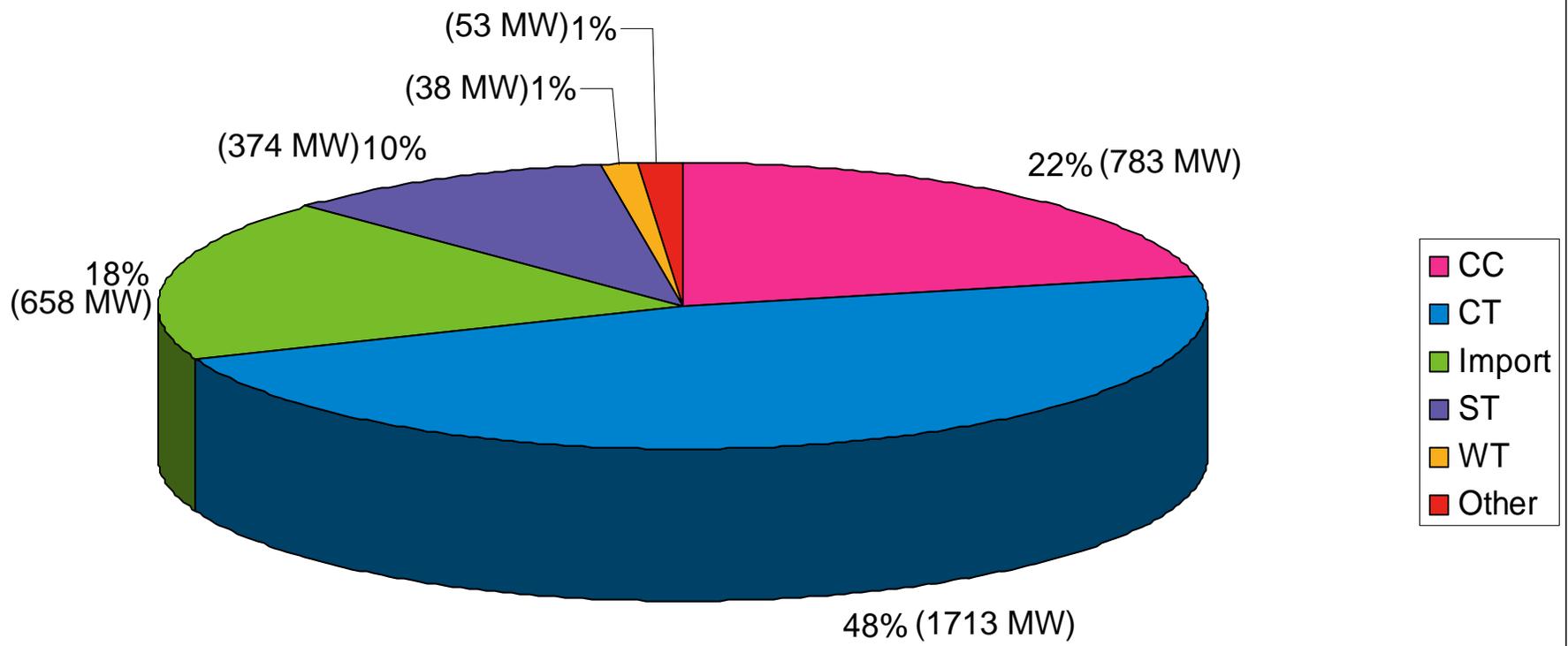
- Procure enough capacity to meet New England's forecasted Installed Capacity Requirements three years in the future
- Select a portfolio of Supply and Demand Resources through a competitive Forward Capacity Auction process
 - Proposed resources must be pre-qualified to participate in the auction
 - Proposed resources must participate and clear in the auction to be paid for capacity
- Provides a long-term (up to 5 year) commitment to New Supply and Demand Resources to encourage investment

November 6, 2007 FERC Filing Summary

- Installed Capacity Requirement for 2010 is 33,705 MW
 - After accounting for 1,400 MW of Hydro-Québec Interconnection Capability Credits (HQICC's), 32,305 MW remain to be procured
- Qualified Existing Resources for 2010 are 33,053 MW*
 - 30,844 MW of Generating Capacity, including Intermittent
 - 1,269 MW of Import Capacity
 - 941 MW of Demand Resources
- Qualified New Resources for 2010 are 6,102 MW
 - **Total Qualified New Supply Resources are 3,619 MW**
 - Qualified New Demand Response Resources are 2,483 MW

* Total value does not equal sum due to rounding

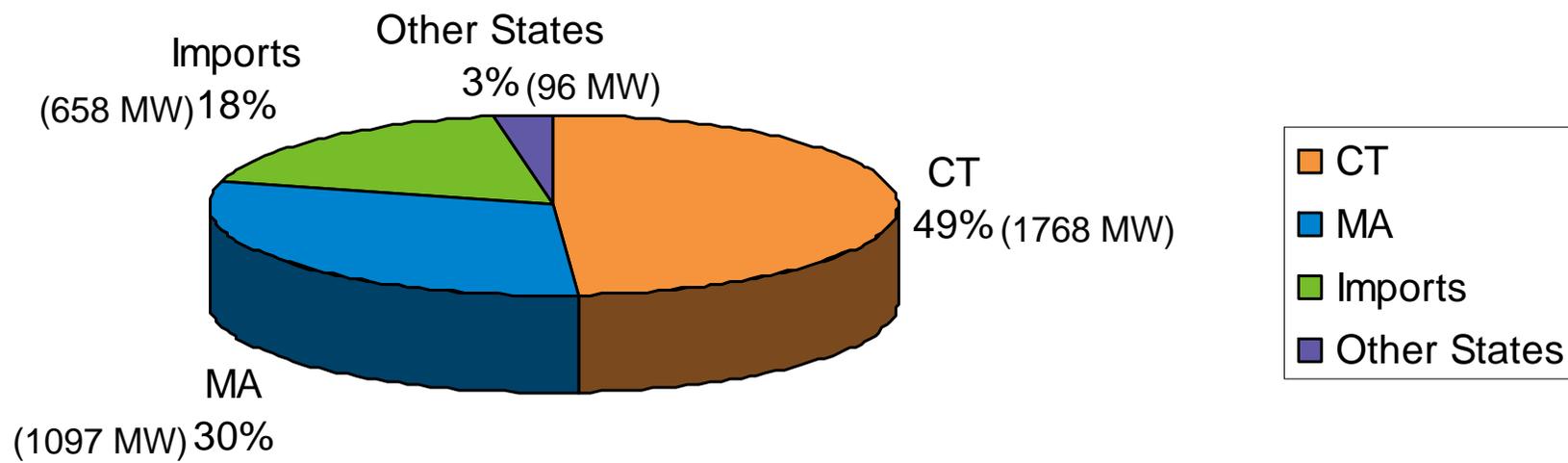
Supply Side Show of Interest Breakdown of the 37 Qualified Projects by Resource Type (3619 MW)



CC – Combined Cycle
CT – Combustion Turbine

ST – Steam Turbine
WT – Wind Turbine

Supply Show of Interest Breakdown of the 37 Qualified Projects by State (3619 MW)



CT – Connecticut
MA – Massachusetts

Forward Capacity Market / Generator Interconnection Process Stakeholder Group

Overview of Process

- ISO, New England Conference of Public Utilities Commissioners (NECPUC) and New England Power Pool (NEPOOL) are engaged in a stakeholder process to look for ways to improve the coordination between the requirements of the FCM and the current FERC-approved Generator Interconnection Process
- Information regarding this stakeholder process may be found at:

http://www.iso-ne.com/committees/comm_wkgrps/othr/fcm_gen/index.html

Goals

- Provide background and information to stakeholders about the current Queue process and FCM
- Identify and discuss key issues and principles associated with the Queue and FCM
- Develop approaches to address key issues and principles to improve the coordination between the two processes
- Provide a mechanism for bringing majority and minority position(s) to the appropriate voting NEPOOL committee
- File any changes with FERC by October 2008
- Any reform of the current interconnection queue process in the near future could hinder the ongoing review process in New England

Generator Interconnection Queue Process Issues and Concerns

Generator Interconnection Queue Process Issues and Concerns

- Lack of flexibility in the procedures specified in tariff
 - Prescribed process and timelines do not account for differences in types of interconnection projects
 - Prescribed process and timelines do not account for differences in system topology or capability margins
 - Prescribed process and timelines do not account for the large number of requests submitted
- Clustering
 - Some form(s) might be helpful; some would further delay the provision of useful information to customer
 - Need significant flexibility to implement
 - Significant issues such as cost allocation
- Current process not ideal for competitive solicitations or perhaps even for markets
- Implementation and adherence to prescribed procedures require substantial staff commitment and other resources
- Management and administration of process hampered by project withdrawals requiring, at times, study delays and restudies of lower queue projects
- Non-disclosure of certain information hinders transparency which may help resolve FCM/Interconnection issues
- New England also has issues related to access to wind resources in far northern Maine and New Hampshire