

SUMMARY NOTES
Intermittent Resource Working Group
Holiday Inn, Holyoke, MA
(06/16/06)

The fourth meeting of the Intermittent Resource Working Group (“IWG”) was held on Friday June 16, 2006. This was both an in person and teleconference meeting.

Agenda Item 2. After introductions, Mr. Dennis Duffy, who was on the telephone, stepped the group through his proposal on the Capacity Rating of Intermittent Resources Based upon Dual-Season Performances. This memorandum may be reviewed on the IWG web site: http://www.iso-ne.com/committees/comm_wkgrps/othr/iwg/mtrls/index.html.

The discussion then focused on the perceived consequences of adopting the proposal. Several examples were used by participants to highlight their concerns with the possible outcome of using an average of the seasonal Qualified Capacity MW values for intermittent resources in the FCM. Those concerns centered on the situation where large differentials between winter and summer period values, if skewed to the winter, would result in a undercounting of the intermittent resources contribution to meeting the summer peak load of the system, and the calculation of ICR. After a lengthy discussion on the merits of the proposal, and a review of the current wording of the Final Draft of the Intermittent Resource Capacity Treatment in the Forward Capacity Auction (Revision: 1 06/12/06), three distinct methods began to emerge that reflected the positions of the participants but still remained within the framework of the treatment developed by the group so far. No further progress could be made under this agenda item so the Chair summarized the dialog and proceeded to address the next item.

Agenda Item 3. The participants continued there discussion of the three methods that were identified for both paying and counting in the ICR process the Qualified Capacity MW values from the summer and winter periods. Those methods were finally agreed to be called Method A, B, and C. They are essentially the same in that they rely on the use of the median amount (MW) of an IC resources interconnected generation flow during the two seasonal periods. The differences among the methods are in the application of those seasonal values. The Chair agreed to summarize the methods that were discussed and revise the Final Draft, to be renamed the Draft Proposal, with the three methods. Resolution of which method might take priority in the finished product will take place after a presentation of the current Draft Proposal, with all three methods included, is made to the Installed Capacity Methodology Review Stakeholder forum (“ICWG”), scheduled for June 21, 2006. Input from the ICWG, at this point in time, may be helpful in reaching closure on the process underway at the intermittent resource working group. The remaining issue for discussion under this agenda item concerned the treatment of new intermittent resources. After reviewing the present wording in the Draft Proposal a concern was raised on the weighting of qualification data and actual data for new intermittent resources during a five-year commitment period. After discussion a procedure for weighting the data was suggested. The group did not reach a consensus position on the suggested procedure, mostly due to the differences of opinion on the

methods discussed in agenda item 3. After further consideration the suggested weighting procedure was found acceptable, for now, and will be included in the next version of the Proposal.

The Chair then moved the discussion to agenda item 4. As noted earlier in the meeting the Chair is scheduled to report on the progress of the Intermittent Resource Working Group in creating a proposal for the treatment of intermittent resource capacity in the FCM to the ICWG on June 21,2006 at its meeting in Sturbridge, Massachusetts. The Chair outlined his intention to present the current Draft Proposal, with the three methods, and seek guidance from the ICWG in resolving the outstanding issues. Future meetings of the Intermittent Resource Working Group will depend on the outcome of this discussion. The meeting was then adjourned.

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