

# POWERGRID STRATEGIES, LLC

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## MEMORANDUM

To: Emily Laine – Chair, NEPOOL Transmission Committee  
Jose Rotger – Vice Chair, NEPOOL Transmission Committee

cc: Jay Dwyer – Secretary, NEPOOL Transmission Committee  
Monica Gonzalez – Assistant General Counsel, ISO-NE  
Bruce Kay – Operations Tariff and Agreement Manager, ISO-NE  
Eric Runge – NEPOOL Counsel  
Lisa Martin – Manager, Sales and Revenue, Versant Power  
Ken Belcher – President & CEO, NMISA  
Dwayne Conley – Operations Manager, NMISA

From: Steven S. Garwood

Date: August 10, 2020

Subject: Through and Out Rate Discount Proposal

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On behalf of Versant Power and Northern Maine Independent System Administrator (“NMISA”), attached please find documents regarding a proposal to implement a reciprocal discount of the Through and Out Rate for transactions between ISO-NE and NMISA which I and Lisa Martin from Versant Power will present to the NEPOOL Transmission Committee at its August Summer Meeting next week.



# **Proposal for Discounting the Through and Out (TOUT) Rate Between ISO-NE and NMISA**

**By Versant Power and Northern Maine Independent System Administrator  
Presented by Steve Garwood, PowerGrid Strategies, LLC and  
Lisa Martin, Versant Power  
To the NEPOOL Transmission Committee  
August 2020 Summer Meeting**

# Why We Are Here

- **NMISA and Versant Power are here to present their joint proposal to have the Through and Out (TOUT) Rate discounted to zero on a reciprocal basis for all transmission service transactions between ISO-NE and NMISA**
- **Absent this discount, the TOUT charges between the two regions result in pancaked transmission charges**
- **Implementing this discount would be consistent with FERC's long-standing policy of eliminating seams issues where possible**
- **Implementing this discount would also be consistent with how TOUT charges between ISO-NE and NYISO have been dealt with**

# About Northern Maine Independent System Administrator (NMISA)

## NMISA's Role

- **NMISA provides independent objective non-discriminatory administration of transmission access and transmission information access**
- **NMISA monitors and operates the markets in Northern Maine for energy, ancillary services and other services**

## Transmission Systems

- **Versant Power – Maine Public District (MPD)**
  - **392 miles of transmission facilities**
  - **3 interconnections with NB Power**
- **Eastern Maine Electric Cooperative, Inc. (EMEC)**
  - **39 miles of transmission facilities**
  - **1 interconnection with NB Power**

# About Northern Maine Independent System Administrator (NMISA)

## NMISA Market Rules

1. Definitions
2. Scheduling and Dispatch
3. Ancillary Services
4. Settlement and Billing
5. Monitoring and Auditing
6. Outage Coordination
7. Imposition of Sanctions
8. Connection, Retirements and Demand-Side Management
9. System Planning
10. Capacity Obligations

## NMISA Tariff

1. Organization
2. Governance
3. Funding
4. Responsibilities & Authority of ISA
5. Responsibilities of Market Participants

# About Northern Maine Independent System Administrator (NMISA)

## Organization

### Activities managed by a stakeholder Board

1. MPD
2. EMEC
3. Houlton Water Company and Van Buren Light and Power District (VBL&P)
4. Larger Customers located in northern Maine
5. All other Customers (appointed by the Maine Public Advocate)
6. Generators located in northern Maine
7. Competitive Electric Providers (CEPs)

## Governance

- 7 members + 1 alternate representing each entity
- Quorum requires 4 members present
- Action by the Board requires a vote of no less than 4 Directors or Alternates present
- Conflict of interest Policy & Standards of Conduct

## ISA Funding

- The ISA is funded through Schedule 1 of the NMISA Tariff
- Formula based allocation of monthly budget set each year
- 2019 cost approximately 40 cents per MWh

## Load

- 794,173 MWh
- Peak Load 150 MW

# About Northern Maine Independent System Administrator (NMISA)

## ISA Responsibilities

- Proposes Tariff changes to the Board of Directors
- Interpret and enforce Market Rules and Operating Procedures
- Administer the reservation, scheduling and dispatch of the Northern Maine Transmission System
- Operate the Market
- Settlement and Billing

## ISA Members' Responsibilities

- Provide information
- Comply with the Northern Maine Market Rules and Operating Plan
- TOs file and maintain FERC-compliant OATT
- Schedule resources through ISA
- Schedule O&M plans
- Purchase Ancillary Services (NB Power is the default provider)

# Discounting TOUT Rate Proposal

- NMISA and Versant Power have requesting that the PTO's file revisions to the ISO-NE OATT as appropriate, to put into effect, a reciprocal discount of the Through and Out (TOUT) Rate to zero for all transmission service transactions between ISO-NE and NMISA, pursuant to the PTO's FPA 205 filing rights provided for under Section 3.4(b)(i) of the Transmission Operating Agreement (TOA)
- Before acting on NMISA and Versant Power's request, the PTOs expressed a desire to hear feedback from stakeholders via the NEPOOL Transmission Committee
- Versant Power-MPD and EMEC, the only two Transmission Owners within NMISA, both support this initiative. Others in NMISA support the proposal as well
- The current application of the TOUT Rate between ISO-NE and NMISA results in pancaked transmission charges being applied to transactions between the two regions and is recognized by FERC as one of a number of seams issues that cause market inefficiencies and should be eliminated
- A discount to zero of the TOUT Rate on transmission service transactions between ISO-NE and NYISO was put into effect as a condition of FERC's Order granting RTO status to ISO-NE. (See paragraph 95 of the March 24, 2004 RTO Order in Docket No. RT04-2)
- NMISA's and Versant Power's request is not contingent upon ISO-NE and NBSO agreeing to a similar discount for all transactions between ISO-NE and NBSO, although they encourage the PTOs and ISO-NE to continue to seek such agreement with NBSO



# Discounting TOUT Rate Proposal – Rate Impact

- This proposal is revenue neutral to the PTOs and NMISA TOs because the TOUT Revenues are treated as a revenue credit in the calculation of transmission revenue requirements deriving firm transmission rates, i.e. RNS Rate in ISO-NE and Network Service and Firm Point to Point Rates in NMISA under Versant Power and EMEC OATTs

Region to Region	Out Revenue	
	2019	2020*
<b>ISONE to Northern Maine</b>		
OATT Schedule 8 Through or Out Service (TOUT) \$ subject to proposed discount	\$ 783,386	\$425,050
Total OATT Schedule 8 Through or Out Service (TOUT) \$	\$ 5,444,866	
TOUT \$ subject to proposed discount as a percentage of total 2019 TOUT \$	14.39%	
Total PTF Rev. Req. in RNS Effective June 1, 2020	\$ 2,398,650,539	
2019 TOUT \$ subject to discount as a percentage of total 2019 PTF Rev. Req.	0.03%	
<b>Northern Maine to ISONE</b>		
OATT Point-to-Point \$	\$ 163,546	\$257,090
Impact to MPD Transmission Rate due to TOUT discount	1.3%	

\* For the period January 2020 through June 2020

ISO-NE	2019		Allocation of
Local Networks	Network Load	Load Ratio Share	Discounted TOUT
CMP	1,370,283	7.38%	\$ 57,846
Versant-BHD	235,420	1.27%	\$ 9,938
FG&E	71,605	0.39%	\$ 3,023
NGRID-NEP	5,080,679	27.38%	\$ 214,478
ES	6,472,778	34.88%	\$ 273,245
NSTAR	3,904,748	21.04%	\$ 164,837
UI	678,992	3.66%	\$ 28,663
VT Transco	742,022	4.00%	\$ 31,324
<b>Total</b>	<b>18,556,527</b>	<b>100.00%</b>	<b>\$ 783,386</b>

- The impact to the June 1, 2020 RNS Rate if this proposal was in effect during calendar year to 2019 based on the above transactions would have been an increase of \$0.04/kw-yr representing a mere 0.03% increase. For MPD, impact would have been a 1.3% increase.

# Discounting TOUT Rate Proposal – Rate Impact

## TOUT Rate Discount Between ISO-NE and NMISA Analysis Support

	2019	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Totals
ISONE to Northern Maine (MWh)		19,780	3,734	24,714	13,348	61,576
ISONE Import Charges (\$)						
OATT Schedule 8 Through or Out Service (TOUT) \$/MWh		12.61	12.77	12.78	12.78	12.72
OATT Schedule 8 Through or Out Service (TOUT) \$		249,347	47,667	315,805	170,566	\$ 783,386
	2020	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Totals
ISONE to Northern Maine (MWh)		22,828	9,067	-	-	31,895
ISONE Import Charges (\$)						
OATT Schedule 8 Through or Out Service (TOUT) \$/MWh		12.78	14.71			13.33
OATT Schedule 8 Through or Out Service (TOUT) \$		291,705	133,345	-	-	\$ 425,050

# Discounting TOUT Rate Proposal - Benefits

- The benefits derived from implementation of this proposal outweigh the *de minimis* impact to transmission rates and are realized by both the ISO-NE region and NMISA region and include:
  - Improved market efficiency
  - Improved market liquidity
  - Increased competitiveness of generators, including renewable wind generators located in northern Maine selling into ISO-NE
  - Lower cost access by ISO-NE Market Participants to existing and future resources in northern Maine
  - Lower cost access by NMISA Market Participants to a larger pool of supply-side resources in ISO-NE
  - Providing price discipline in the northern Maine market due to increased competition

# Discounting TOUT Rate Proposal – Tariff Revisions

- The existing tariff provision in the ISO-NE Tariff is in Section II.25.3 which says:

**II.25.3 Exceptions to Payment for Through or Out Service:** Through or Out Service Charges to the New York Control Area: The TOUT Rate shall be reduced to zero for any Through or Out Service transaction that (a) goes through or out of the New England Control Area and (b) has the New England/New York Control Area boundary as its Point of Delivery, provided that a Commission-approved New York ISO tariff provision is in effect that reduces charges to zero on transactions through or out of the New York Control Area to the New England Control Area boundary. The reduction to zero of the TOUT Rate to New York shall only apply to the Schedule 8 charges. The reduction of the TOUT Rate to zero pursuant to this Section II.25.3 shall not apply to transmission customers taking service under Section II.18.3 of this Tariff; such transmission customers shall continue to pay charges for such service based on the full TOUT Rate as applied to the amount reserved for the Regional Network Load which is not physically interconnected with the PTF.

# Discounting TOUT Rate Proposal – Draft Tariff Revisions

- **NMISA and Versant Power propose the following draft revisions to ISO-NE Tariff - Section II.25.3**

**II.25.3 Exceptions to Payment for Through or Out Service:** Through or Out Service Charges to the New York Control Area and the Northern Maine Independent System Administrator: The TOUT Rate shall be reduced to zero for any Through or Out Service transaction that (a) goes through or out of the New England Control Area, and (b) has the New England/New York Control Area boundary as its Point of Delivery, provided that a Commission-approved New York ISO tariff provision is in effect that reduces charges to zero on transactions through or out of the New York Control Area to the New England Control Area boundary or (c) has the New England / New Brunswick System Operator Balancing Authority boundary as its Point of Delivery with the path of ISO-NE/NBSO/NMTS, provided that there are in effect tariff provisions for Versant Power Maine Public District (MPD) or Eastern Maine Electric Cooperative (EMEC), collectively known as the Northern Maine Transmission System (NMTS) that discount to zero on transactions out of NMTS to the New England Control Area boundary. The reduction to zero of the TOUT Rate to New York shall only apply to the Schedule 8 charges. The reduction of the TOUT Rate to zero pursuant to this Section II.25.3 shall not apply to transmission customers taking service under Section II.18.3 of this Tariff; such transmission customers shall continue to pay charges for such service based on the full TOUT Rate as applied to the amount reserved for the Regional Network Load which is not physically interconnected with the PTF.

- **This draft language and any other applicable provisions of the ISO-NE OATT is subject to review and edit by ISO-NE to ensure it accurately defines the transactions to which the discount would apply**

# Discounting TOUT Rate Proposal – Draft Tariff Revisions

- **NMISA and Versant Power propose the following draft revisions to the MPD OATT at Schedule 7 – Long-Term Firm and Short-Term Firm Point to Point Transmission Service and Schedule 8 – Non-Firm Point to Point Transmission Service**

## Schedule 7 – new language

**13) Exceptions to Payment for Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service:** Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service charges to the New Brunswick System Operator Balancing Authority Area will be reduced to zero for any Point-To-Point Transmission Service transaction that (a) goes out of the Maine Public District transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/New England Control Area as its Point of Delivery, provided that a Commission-approved ISO New England tariff provision is in effect that reduces charges to zero on any transaction that (a) goes out of the New England Control Area transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/Maine Public District transmission facilities as its Point of Delivery

## Schedule 8 – new language

**13) Exceptions to Payment for Non-Firm Point-To-Point Transmission Service:** Non-Firm Point-To-Point Transmission Service charges to the New Brunswick System Operator Balancing Authority Area will be reduced to zero for any Point-To-Point Transmission Service transaction that (a) goes out of the Maine Public District transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/New England Control Area as its Point of Delivery, provided that a Commission-approved ISO New England tariff provision is in effect that reduces charges to zero on any transaction that (a) goes out of the New England Control Area transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/Maine Public District transmission facilities as its Point of Delivery.

# Discounting TOUT Rate Proposal – Tariff Revisions

- **NMISA and Versant Power propose the following revisions to the EMEC OATT at Schedule 10 – Long-Term Firm and Short-Term Firm Point to Point Transmission Service and Schedule 11 – Non-Firm Point to Point Transmission Service**

## Schedule 10 – new language

**2) Exceptions to Payment for Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service:** Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service charges to the New Brunswick System Operator Balancing Authority Area will be reduced to zero for any Point-To-Point Transmission Service transaction that (a) goes out of the Eastern Maine Electric Cooperative, Inc. transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/New England Control Area as its Point of Delivery, provided that a Commission-approved ISO New England tariff provision is in effect that reduces charges to zero on any transaction that (a) goes out of the New England Control Area transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/Eastern Maine Electric Cooperative, Inc. transmission facilities as its Point of Delivery

## Schedule 11 – new language

**2) Exceptions to Payment for Non-Firm Point-To-Point Transmission Service:** Non-Firm Point-To-Point Transmission Service charges to the New Brunswick System Operator Balancing Authority Area will be reduced to zero for any Point-To-Point Transmission Service transaction that (a) goes out of the Eastern Maine Electric Cooperative, Inc. transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/New England Control Area as its Point of Delivery, provided that a Commission-approved ISO New England tariff provision is in effect that reduces charges to zero on any transaction that (a) goes out of the New England Control Area transmission facilities and (b) has the New Brunswick System Operator Balancing Authority Area/Eastern Maine Electric Cooperative, Inc. transmission facilities as its Point of Delivery.



# Discounting TOUT Rate Proposal – Next Steps

- NMISA and Versant Power seek feedback on, and ultimately support for, this proposal from the TC
- Between now and the TC Sept. 15, 2020 meeting, ask ISO-NE to review NMSIA & Versant Power's draft tariff revisions and determine if other tariff revisions are required, as well as perform a preliminary assessment of other implementation requirements and report back to the TC in advance of the Sept. 15, 2020 meeting
- Following the TC Sept. 15, 2020 meeting, NMISA and Versant Power will request a vote by the PTO-AC to approve final tariff language and agree to prepare a 205 filing as necessary to implement the TOUT discount
- ISO-NE report back to TC in advance of October 27, 2020 with update on implementation details
- October 27, 2020 - Transmission Committee vote on this proposal
- November 5, 2020 – Participants Committee vote on this proposal

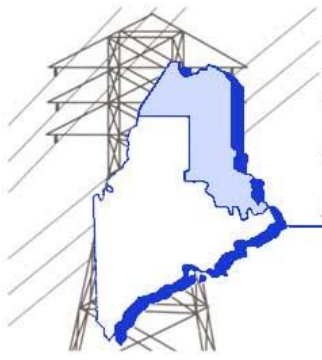


## Discounting TOUT Rate Proposal – Next Steps (continued)

- ISO-NE work on OASIS and other software system changes required to implement and administer this proposal
- December 1, 2020 – ISO-NE file tariff revisions with FERC on behalf of PTOs
- Expect FERC Order within 60-days of FERC filing approving tariff revisions for discount to take effect as soon as ISO-NE can implement
- Implementation already feasible in NMISA for MPD via NERC Tagging. In EMEC territory, pending NERC TSP registration and NERC Tagging.
- 1<sup>st</sup> quarter 2021 implementation depending on ISO-NE's ability to make OASIS and other software changes

# Discounting TOUT Rate Proposal

**Versant Power and NMISA thank you for your consideration regarding their request to have the Through and Out (TOUT) Rate discounted to zero on a reciprocal basis for all transmission service transactions between ISO-NE and NMISA**



# NORTHERN MAINE INDEPENDENT SYSTEM ADMINISTRATOR

77 Exchange Street, Suite 402 • Bangor, ME 04401

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July 2, 2020

VIA EMAIL

Tiffany Forsyth  
Chair of the PTO-AC  
Tiffany.Forsyth@nationalgrid.com

Re: Reciprocal Discount of Through-and-Out Rates for Firm and Non-Firm Point-to-Point Transactions Between NMISA TOs in northern Maine and PTOs In ISO New England

Dear Chair Forsyth:

The Northern Maine Independent System Administrator, Inc. (“NMISA”) has for several years sought to facilitate the actions needed to eliminate the seam created by the pancaked rates on transmission service between Emera Maine - Maine Public District in northern Maine (now Versant Power) and ISO New England (“ISO NE”). The reciprocal discounting of through- and-out firm and non-firm point-to-point transmission rates by the transmission owners in the NMISA (the “NMISA TOs”) and the Transmission Owners in ISO NE (the “PTOs”) would provide substantial benefits to the northern Maine regions served by Maine Public District and Eastern Maine Electric Cooperative, Inc. (“Northern Maine”) and to the Transmission Owners and customers on both sides of the seam, and would facilitate the importation of existing and future renewable power into southern New England. Further, this change could be implemented with only minor changes to the underlying tariffs by discounting the respective rates to zero.

Resolution of this problem is long overdue and can be accomplished with a simple agreement between the NMISA TOs and the PTOs. NMISA has long urged Emera Maine, and now urges Versant Power as a NMISA TO and a PTO, to propose this change with NMISA to the other PTOs. With Versant Power’s support<sup>1</sup> and that of Eastern Maine Electric Cooperative (see attached letter), NMISA hereby presents this proposal to you consistent with NMISA’s authority under its tariff regarding the Northern Maine Transmission System (the “NMITS”).

The Federal Energy Regulatory Commission (“FERC” or “Commission”) has jurisdiction over these transmission arrangements, and it is the clear and long-standing policy of the

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<sup>1</sup> Versant Power advises NMISA that its letter of support will be sent to you in the near future.

Commission to eliminate seams whenever possible to improve inter-regional market efficiency.<sup>2</sup> The elimination of this seam can be easily accomplished by the NMISA TOs and PTOs agreeing on a reciprocal basis to reduce the rate to zero on Through or Out Service into or out of NMITS and Pool Transmission Facilities (“PTFs”) (see attached tariff pages with redlining to show the necessary revisions). The Commission has approved precisely this approach in the past. For example, when the Commission approved RTO status for ISO New England, it expressly conditioned that approval on the inclusion of a proposal to discount to zero the TOUT charges between ISO New England and New York Independent System Operator (“NYISO”).<sup>3</sup> The solution proposed and approved by the Commission now resides in the tariffs of these two RTOs.<sup>4</sup> Likewise, the Commission ordered the discounting of regional through and out rates between other RTOs<sup>5</sup> and between RTOs and regions lacking RTOs.<sup>6</sup>

NMISA therefore requests that you collectively initiate the process required to engage with the NMISA and its TOs and the PTOs with the goal of modifying the ISO New England tariff to provide the kind of reciprocity between NMISA and ISO-NE that is provided for in Section 11.25.3 of the ISO New England Tariff between ISO New England and NYISO. In addition, multiple stakeholder processes have shown that there is overwhelming support for this action among the northern Maine stakeholders on both sides of the seam, including the Eastern Maine Electric Cooperative. NMISA is available to assist in the process and has engaged Steve Garwood to support the effort.

The benefits of elimination of the seam between ISO New England and northern Maine are long overdue. I would like to request that you place this item on the agenda of the next PTO-AC meeting which I understand is schedule to occur on July 29 at 2PM and provide the members with the materials that are attached to this letter and that will be forthcoming from Steve Garwood and Versant Power.

Sincerely,



Ken Belcher  
President & CEO  
207.992.4721

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<sup>2</sup> See, e.g., *Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (January 6, 2000), 1996-2000 FERC Stats. & Regs. ¶ 31,089 at p. 31,004, p. 31,025, p. 31,082, and p. 31,176 (1999) (Order 2000).

<sup>3</sup> *ISO New England Inc., et al.*, 106 FERC ¶ 61,280, at ¶ 95 (2004).

<sup>4</sup> See ISO New England Inc. Transmission, Markets and Services Tariff, Section II.25.

<sup>5</sup> *Midwest Independent Transmission System Operator, Inc., et al.*, 104 FERC ¶ 61,105, order on reh'g, 105 FERC ¶ 61,212 (2003)(PJM and MISO); *Southwest Power Pool, Inc.*, 106 FERC ¶ 61,110 at ¶ 2 and ¶ 53(SPP with MISO) (2004).

<sup>6</sup> *PJM Interconnection, LLC et al.*, 96 FERC ¶ 61,061 at p. 61,241-61,242 (2001)(“Order No. 2000 requires an RTO to develop mechanisms to coordinate [seams elimination] activities with other regions regardless of whether or not an RTO exists in these other regions”) *citing* Order No. 2000, at p. 31,167; *Southwest Power Pool, Inc.*, 106 FERC ¶ 61,110 at ¶ 63 (as part of its application for RTO status, the Commission required SPP to file a seams agreement with MISO but also required SPP as part of its compliance filing the inclusion of a timeline for the development and filing of seams agreements with the other utilities with which its members interconnected).

cc: Paul Krawczyk, PTO-AC Vice Chair ([paul.krawczyk@eversource.com](mailto:paul.krawczyk@eversource.com))  
Mary Grover, Chair of Legal Work Group ([mary.grover@eversource.com](mailto:mary.grover@eversource.com))  
Monica Gonzalez, ISO-NE Assistant General Counsel ([mgonzalez@iso-ne.com](mailto:mgonzalez@iso-ne.com))  
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July 17, 2020

Tiffany Forsyth  
Chair of the PTO-AC  
Tiffany.Forsyth@nationalgrid.com

**Re: Request for PTO-AC Consideration and Approval of Reciprocal Elimination of Through-and-Out Rates for Firm and Non-Firm Point-to-Point Transactions Between NMISA TOs and PTOs In ISO New England**

Dear Chair Forsyth,

Versant Power and the Northern Maine Independent System Administrator, Inc. ("NMISA") would like the PTO-AC to approve certain changes to the ISO-New England administered tariff to eliminate the OUT charges that ISO currently collects through Schedule 8 for all energy destined for northern Maine, which must travel through New Brunswick. NMISA would then likewise modify its tariff to eliminate OUT charges for energy that is generated in northern Maine and sinks in the ISO New England market. This would effectively eliminate a seam or pancaked rate, and encourage more free flow of energy between the two regions. This requires PTO-AC approval as well as Transmission Committee and Participants' Committee Approvals and would ultimately be filed with FERC for their approval. We are writing to request this joint proposal by us and NMISA be placed on the next possible PTO-AC meeting agenda. We are prepared to speak to this request at a PTO-AC meeting and/or in other NEPOOL stakeholder forums. NMISA's consultant, Steve Garwood, will provide meeting materials by July 22.

We believe that the reciprocal elimination of through-and-out firm and non-firm point-to-point transmission rates by the NMISA transmission owners and the Pool Transmission Owners in ISO-NE would result in a potential benefit for northern Maine customers and would not harm other customers in the region. We are requesting the same treatment for northern Maine as is currently in place between ISO-NE and the New York ISO. With this precedent, and with our belief that FERC supports the elimination of seams whenever possible, we see this as a process that has a very good chance of success. Versant Power and NMISA will propose specific tariff changes for the PTO-AC's consideration, along with some background and context slides.




Thank you for working with Versant Power and NMISA. Please reach out if you have questions.

Sincerely,

/s/ Lisa Martin  
Manager of Sales & Revenue  
Versant Power  
207-356-2733



# Eastern Maine Electric Cooperative

A Touchstone Energy® Cooperative   
The power of human connections®

*Serving the  
Eastern Border  
of the United States*

July 2, 2020

VIA EMAIL

Tiffany Forsyth  
Chair of the PTO-AC  
Tiffany.Forsyth@nationalgrid.com

Re: Reciprocal Discounting to Zero of Through-and-Out Rates for Firm and Non-Firm Point-to-Point Transactions Between NMISA TOs and PTOs In ISO New England

Dear Chair Forsyth:

The Northern Maine Independent System Administrator, Inc. (“NMISA”) is formally proposing the elimination of the seam created by the pancaked rates on transmission service between the NMISA transmission owners (the “NMISA TOs”) (Eastern Maine Electric Cooperative and Emera Maine - Maine Public District; now Versant Power) and ISO New England (“ISO NE”). We are writing in support of that NMISA proposal.

We strongly agree that the reciprocal discounting to zero of through- and- out firm and non-firm point-to-point transmission rates by the NMISA TOs and the Pool Transmission Owners in ISO NE (the “PTOs”) would benefit the northern Maine regions and the NMISA TOs and PTOs and ratepayers on both sides of the seam. In fact, given that these benefits are not contingent on constructing new facilities or major changes to the underlying tariffs, we know of no reason to oppose this proposal.

Thus, EMEC would fully support your efforts to initiate and pursue the process needed to achieve the reciprocal elimination of this seam. Please advise if EMEC can be of any further assistance in this process.

Sincerely,



Scott M. Hallowell  
CEO