

October 7, 2024

VIA EFILING

The Honorable Debbie-Anne Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

**Re: *Canal Marketing LLC*, Docket No. ER24-1407-000
Stipulations and Settlement Agreement**

Dear Acting Secretary Reese:

Pursuant to Rule 602 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure,¹ Canal Marketing LLC ("Canal Marketing"), on behalf of the Settling Parties (each a "Settling Party" and collectively the "Settling Parties")² hereby submits this Stipulations and Settlement Agreement (the "Settlement") to comprehensively resolve all issues in the above-captioned proceeding. No Settling Party opposes the Settlement.³ If approved by the Commission, the Settlement will resolve all outstanding issues before the Commission in the above-referenced proceeding previously set for hearing and settlement judge procedures.⁴

Canal Marketing submits that the Settlement is fair and reasonable and in the public interest, and respectfully requests that the Settlement Judge for this proceeding, the Honorable Patricia E. Hurt, certify this Settlement to the Commission, and that the Commission approve the Settlement without material modification or condition. Canal Marketing respectfully requests that this Settlement be transmitted to Judge Hurt in accordance with Rule 602(b)(2)(i).⁵

¹ 18 C.F.R. 385.602 (2024).

² The Settling Parties are Canal Marketing, Canal Marketing's affiliate Canal 3 Generating LLC, and ISO New England Inc., including ISO-NE's Internal Marketing Monitor.

³ The Settling Parties are authorized to state that, while the New England Power Pool ("NEPOOL") does not have an affirmative institutional position concerning the Agreement, NEPOOL does not oppose resolution of this proceeding upon the terms set forth in the Agreement.

⁴ *Canal Marketing LLC*, 188 FERC ¶ 61,122 (2024)

⁵ 18 C.F.R. 385.602(b)(2)(i).

I. Content of Submission

In accordance with Rule 602(c)(1) of the Commission's regulations, this Settlement filing consists of the following documents:

- A. this Transmittal Letter;
- B. the Explanatory Statement;
- C. the Stipulations and Settlement Agreement; and
- D. the Certificate of Service.

II. Service of Submission

Pursuant to Rules 602(d) and 2010,⁶ Canal Marketing certifies that it is serving a complete copy of this Settlement on all required parties.

III. Notice Respecting Comments

In accordance with Rule 602(d)(2) and (f),⁷ Canal Marketing advises all parties that comments on the Settlement must be filed on or before October 28, 2024, and reply comments must be filed on or before November 6, 2024.

Canal Marketing thanks the Commission for its consideration of this filing. Please direct any questions to the undersigned counsel

Respectfully submitted,

/s/ Chip Cannon

Chip Cannon

Counsel for Canal Marketing LLC

⁶ *Id.* at §§ 385.602(d) and 385.2010.

⁷ *Id.* at § 385.602(d)(2) and (f).

CERTIFICATE OF SERVICE

I hereby certify that on this 7th of October, 2024, a copy of the foregoing document has been electronically served upon each person designated on the official service lists in these proceedings.

/s/ Chip Cannon

George D. (Chip) Cannon, Jr.
Hogan Lovells US LLP
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1109
(202) 637-8378

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Canal Marketing LLC) Docket No. ER24-1407-000

**EXPLANATORY STATEMENT TO STIPULATIONS AND SETTLEMENT
AGREEMENT**

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or the “Commission”),¹ Canal Marketing LLC (“Canal Marketing”), Canal Marketing’s affiliate Canal 3 Generating LLC (“Canal 3”), and ISO New England Inc. (“ISO-NE”), including ISO-NE’s Internal Market Monitor (“IMM” and, together with Canal Marketing, Canal 3, and ISO-NE, the “Settling Parties”), hereby submit this Explanatory Statement in support of the Stipulations and Settlement Agreement (the “Agreement”) entered into by the Settling Parties on October 7, 2024, to resolve the issues set by the Commission in its August 12, 2024 order in the above-captioned proceeding.² The Settling Parties are authorized to state that, while the New England Power Pool (“NEPOOL”) does not have an affirmative institutional position concerning the Agreement, NEPOOL does not oppose resolution of this proceeding upon the terms set forth in the Agreement.

In the August 12 Order, the Commission established settlement judge procedures “to permit the parties to resolve whether and how Canal Marketing should return to ISO-NE the revenues or net revenues, with applicable interest, that Canal Marketing has received on behalf of its affiliate Canal 3’s participation in the [ISO-NE’s Inventoried Energy Program (“IEP”)] for the

¹ 18 C.F.R. § 385.602 (2024).

² *Canal Marketing LLC*, 188 FERC ¶ 61,122 (2024) (the “August 12 Order”)

2023-2024 winter period.”³ If approved without condition or modification, the Agreement fully resolves among the participants to this proceeding these issues.

In accordance with the amended “Notice to the Public” issued by the Chief Judge of the Commission,⁴ the undersigned state as follows:

- (a) the Agreement does not affect pending cases;
- (b) the Agreement does involve an issue of first impression (i.e., the return of revenues or “net” revenues plus appropriate interest under the IEP); however, the Settling Parties have amicably resolved the issue based on the unique circumstances presented here and also have agreed that the Agreement will not have precedential value, including without limitation for the upcoming IEP winter period 2024-2025;
- (c) the Agreement does not depart from Commission precedent; and
- (d) the Agreement does not seek to impose a standard of review other than the ordinary just and reasonable standard with respect to changes to the Agreement that might be sought by either a third party or the Commission acting *sua sponte*.

I. PROCEDURAL BACKGROUND

The underlying proceeding was initiated by a request from Canal Marketing for a one-time limited waiver of the provisions of the IEP contained in Market Rule 1 Appendix K of ISO-NE’s Transmission, Markets and Services Tariff (“Tariff”).⁵ Canal Marketing sought to (i) withdraw its participation in the IEP on behalf of its affiliate Canal 3 for the winter 2023-2024 period and (ii) return to ISO-NE the net revenues, with applicable interest, that Canal Marketing received on behalf of Canal 3 for Canal 3’s election to have its 333 MW (summer rating) gas- and oil-fired

³ *Id.* at P 19.

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⁵ Market Rule 1 is Section III of the Tariff.

generation facility (“Canal 3 Facility”) participate in the forward component of IEP for winter 2023-2024 (the “Petition”).

On March 25, 2024, the IMM filed comments to the Petition stating that “the Commission should direct [Canal Marketing] to refund the revenues for qualifying Canal 3 for the IEP.”⁶ The IMM further stated that:

Whether revenues received by Canal 3 should be “net” of the charge incurred under the single Inventoried Energy Day (January 20, 2024) is a separate question. At first blush, this may seem fair: assuming Canal 3’s participation is considered waivable (or voidable), then it might follow that revenues and payments under the [IEP] should be netted. However, by waiting until the end of the [IEP] to file its Petition, [Canal Marketing] arguably waived any right to charges already incurred during its voluntary participation in the [IEP] prior to requesting a waiver. Similarly, if one or more [IEP] Days had occurred at the beginning of December — i.e., prior to the “estimated return-to-service date of December 18, 2023” that [Canal Marketing] asserts in the Petition it believed to be “more accurate” — presumably these charges would not be netted. We therefore respectfully urge the Commission to fashion a narrow remedy based on the facts at issue in order to respect the design and preserve the incentives of the IEP.^[7]

On June 7, 2024, Canal Marketing filed a response to the IMM’s comments, in which Canal Marketing explained:

The IMM’s concerns about this being a “heads I win, tails you lose” situation that could undermine future [IEP] periods are unfounded. As Canal Marketing noted in its Petition, Canal Marketing had already notified ISO-NE by mid-December 2023 that it intended to return all payments received on behalf of Canal 3 and to withdraw from the [IEP] on behalf of Canal 3 given the delayed end of the Canal 3 facility’s forced outage. However, given that the Tariff does not expressly provide a mechanism for returning such net revenues to ISO-NE and withdrawing from the Program, it necessarily took time for Canal Marketing, based on discussions with ISO-NE, to determine that a petition for waiver was the correct approach. But Canal Marketing had already determined by mid-December 2023 that it would return the net revenues to ISO-NE and made ISO-NE aware of that fact, which was well

⁶ Comments of the Internal Market Monitor on the Limited Waiver Request, Docket No. ER24-1407-000 at 6 (filed March 25, 2024).

⁷ *Id.*

before ISO-NE incurred any charges under the Program on the January 20, 2024 Inventoried Energy Day.^[8]

National Grid and the New England Power Pool Participants Committee filed interventions in this proceeding.

Rather than rule on the Petition, the Commission issued the August 12 Order to allow the participants of the proceeding the opportunity to reach a resolution of these issues.

II. SETTLEMENT PROVISIONS

1. Pursuant to Section II(26) of the Agreement, Canal Marketing will refund and repay to ISO-NE the net revenues that it received on behalf of the Canal 3 Facility for participating in the IEP for the winter 2023-2024 period, plus interest. The settlement amount (“Settlement Amount”) will consist of a lump sum of \$1,968,156.08, and interest to be calculated in accordance with 18 C.F.R. §35.19a (a) (2)(iii)(A), (B) (2024).⁹ The time period for calculating interest will be from January 15, 2024, the midpoint of the IEP 2023-2024 winter period, until the day that the parties receive notice of approval of the Agreement by the Commission.

2. Pursuant to Section II(27) of the Agreement, from the date that the Agreement is approved by the Commission, Canal Marketing will have 10 Business Days to pay the Settlement Amount to ISO-NE.

3. Pursuant to Section II(28) of the Agreement, after receipt of the Settlement Amount, the ISO will have 60 days to distribute the Settlement Amount as appropriate to the average Real-Time Load Obligation (as such term is defined in the Tariff) for the IEP winter 2023-2024 period.

⁸ Answer of Canal Marketing LLC to the Comments of ISO-NE Independent Market Monitor, Docket No. ER24-1407-000 (filed June 7, 2024).

⁹ See <https://www.ferc.gov/interest-calculation-rates-and-methodology>

4. Pursuant to Section II(29) of the Agreement, the IMM acknowledges that it has reviewed the Agreement in its entirety, has had the opportunity to express its views, and does not the object to the terms of the Agreement.

5. Pursuant to Section II(30) of the Agreement, the “Effective Date” of the Agreement will be the date on which the Commission issues an order approving the Agreement without material modification. When effective, the Agreement will resolve the matters specifically addressed herein that arose on or before the Effective Date as to Canal Marketing, its affiliate Canal 3, its respective agents, officers, directors, or employees, past and present.

6. Pursuant to Section II(31) of the Agreement, except as explicitly set forth in the Agreement, no signatory to the Agreement will be deemed to have approved, accepted, agreed to, or consented to (i) any principle or position in this proceeding or to have prejudiced positions taken or that may be taken in this or any other proceedings, nor (ii) any principle or policy related to the rates, charges, classifications, terms, conditions, principles, or issues associated with the Agreement. The Agreement will have no precedential value, will not be cited as precedent, and will not be deemed to bind any entity (except as otherwise expressly provided for herein) in any proceeding, including any Commission or court proceeding, except in any proceeding to enforce the Agreement. The Agreement will not be deemed to be a “settled practice” as that term was interpreted and applied in *Public Service Commission of the State of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980), or a “long standing practice” as that term was used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1979).

7. Pursuant to Section II(32) of the Agreement, unless the Commission issues and order approving the Agreement in its entirety and without material modification, the Agreement will be null and void and of no effect whatsoever, and no Settling Party will be bound by any

provision or term of the Agreement, unless otherwise agreed to in writing by ISO-NE, including its IMM, and Canal Marketing, including its affiliate Canal 3.

8. Pursuant to Section II(33) of the Agreement, the Agreement binds Canal Marketing, Canal 3, and its agents, successors, and assignees. The Agreement does not create any additional or independent obligations on Canal Marketing, or any affiliated entity, including but not limited to Canal 3, their agents, officers, directors, or employees, other than the obligations identified in the Agreement.

9. Pursuant to Section II(34) of the Agreement, the signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth therein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or any other party to enter into the Agreement.

10. Pursuant to Section II(35) of the Agreement, the Agreement can be modified only if in writing signed by Canal Marketing, including its affiliate Canal 3, and ISO-NE, including its IMM, and any modification will not be effective unless approved by the Commission.

11. Pursuant to Section II(36) of the Agreement, the applicable standard of review for the Agreement shall be the ordinary “just and reasonable” standard of review.

12. Pursuant to Section II(37) of the Agreement, each of the representatives of Canal Marketing, Canal 3, ISO-NE, and its IMM that signs the Agreement affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief.

13. Pursuant to Section (38) of the Agreement, each of the undersigned represents that he or she is an authorized representative of the entity designated, is authorized to bind such entity, and accepts the Agreement on the entity’s behalf.

14. Pursuant to Section II(39) of the Agreement, the Agreement may be executed in duplicate or triplicate, each of which so executed shall be deemed to be an original.

October 7, 2024

Agreed to and Accepted:

/s/ Timothy Helwick
Assistant General Counsel/Market Monitoring
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
(413) 535-4585
thelwick@iso-ne.com
On behalf of ISO New England

/s/ George (Chip) Cannon Jr.
Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, DC 20004-1109
Tel: (202) 637-8378
chip.cannon@hoganlovells.com
On behalf of Canal Energy Marketing LLC and
Canal 3 Generating LLC

/s/ David Naughton
Executive Director, Internal Market Monitor
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Telephone: (413) 535-4000
dnaughton@iso-ne.com
On behalf of the Internal Market Monitor

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Canal Marketing LLC) Docket No. ER24-1407-000

STIPULATIONS AND SETTLEMENT AGREEMENT

The underlying proceeding was initiated by a request from Canal Marketing LLC (“Canal Marketing”) for a one-time limited waiver of the provisions of the ISO New England (the “ISO” or ISO-NE”) Inventoried Energy Program (“IEP”) contained in Market Rule 1¹ Appendix K of the ISO’s Transmission, Markets and Services Tariff (“Tariff”).² Canal Marketing sought to (i) withdraw its participation in the IEP on behalf of its affiliate Canal 3 Generating LLC (“Canal 3”) for the winter 2023-2024 period, and (ii) return to ISO-NE the net revenues, with applicable interest, that Canal Marketing received on behalf of Canal 3 for Canal 3’s election to have its 333 MW (summer rating) gas- and oil-fired generation facility (“Canal 3 Facility”) participate in the forward component of IEP for winter 2023-24 (“Waiver Request”).³ Rather than rule on Canal Marketing’s Waiver Request, the Commission issued an Order Establishing Settlement Judge Procedures, 188 FERC ¶ 61,122 (2024) (“Settlement Procedures Order”), to allow the participants the opportunity to reach a resolution.⁴

¹ Capitalized terms used but not defined in this filing are intended to have the meaning given to such terms in the Tariff.

² Market Rule 1 is Section III of the Tariff.

³ Canal Marketing submitted its Waiver Request to the Commission on March 4, 2024 in the above-captioned docket.

⁴ See Settlement Procedures Order P 19 (“Given the unique circumstances presented here, and given that the parties have expressed the desire to address the issues raised in this proceeding, we establish settlement judge procedures pursuant to Rule 603 of the Commission’s Rules of Practice and Procedure to permit the parties to seek a settlement to resolve whether and how Canal Marketing should return to ISO-NE the revenues or net revenues, with applicable interest, that Canal Marketing has received on behalf of its affiliate Canal 3’s participation in the IEP for the 2023-2024 winter period.”) (footnotes omitted)

Whereupon, the undersigned representatives, on behalf of Canal Marketing, its affiliate Canal 3, and ISO-NE, including its Internal Market Monitor (“IMM”), in order to expeditiously resolve all claims in the above docket, for good and valuable consideration, hereby stipulate to and agree (“Agreement”) as follows:

I. STIPULATIONS

The Parties

1. Canal Marketing is a power marketer that is authorized to make wholesale sales of electric energy, capacity, and certain ancillary services at market-based rates. Canal 3, an affiliate of Canal Marketing, owns and operates the Canal 3 Facility, which is located in the ISO-NE region. Canal Marketing is the Market Participant in the ISO-NE markets that interacts with ISO-NE on behalf of its affiliated generating facilities, including the Canal 3 Facility. The Canal 3 Facility had been on forced outage since February 2023, due to a damaged gas turbine, until sometime after the end of the IEP 2023-2024 winter period.

2. ISO-NE is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO plans and operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO Tariff and the Transmission Operating Agreement with the New England Participating Transmission Owners. As the RTO, the ISO has the responsibility to protect the short-term reliability of the New England Control Area and to plan and operate the system according to reliability standards established by the ISO, the Northeast Power Coordinating Council, Inc. and the North American Electric Reliability Corporation.

3. The IMM is an ISO department composed of economists, engineers, statisticians, analysts, and legal counsel. It functions independently of ISO management and reports directly to the ISO Board of Directors’ Markets Committee. Along with regular market assessments and

reporting, the IMM is also responsible for the daily detection and mitigation (lessening) of the effects of any anti-competitive behavior in the wholesale markets or market products. This includes actions or transactions that are intended to (or foreseeably could) manipulate market prices, market conditions, or market rules. While it did not file a motion to intervene in the underlying proceeding, the IMM submitted substantive comments that were expressly addressed in the Settlement Procedures Order. By its undersigned representative, the IMM stipulates that it has reviewed this Agreement and has had the opportunity to submit comments, which were adequately addressed by the parties, and that it believes this Agreement, together with the Settlement Procedures Order, resolve the issues raised in the IMM's prior comments in the underlying proceeding.⁵

4. The New England Power Pool Participants Committee ("NEPOOL") and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid ("National Grid Companies") were granted leave to intervene in the underlying proceeding, but they did not submit substantive comments in the underlying proceeding.

The IEP

5. The IEP is a voluntary program intended to compensate resources for maintaining up to three days of inventoried energy (*i.e.*, fuel) during the 2023-2024 and 2024-2025 winters when energy security is most likely to be stressed. In order to participate in either (or both) the forward and spot components of the IEP, a generator must submit to ISO-NE, no later than October 1 immediately preceding the start of the relevant winter period, an election submission

⁵ See *id.* n.19 ("With regard to the IMM's concerns about future erroneous qualifications for, and late withdrawals from, the IEP, we note that we are establishing settlement judge procedures here based on the unique circumstances and the various arguments raised by parties to this proceeding.")

containing specified information to “reflect an ability to provide the submitted energy throughout the relevant winter period.”

6. ISO-NE pays a generator participating in the forward component of the IEP a base payment for each day of the months of December, January, and February for the relevant winter period as calculated pursuant to Appendix K.

7. In the 2023-2024 winter period, Canal 3 received, on behalf of the Canal 3 Facility, a base payment of \$92.51 per MWh for the amount of its forward election, which was allocated over the 91 days of the 2023-2024 winter period (*i.e.*, December through February).

8. A participant in the forward component of the IEP must either demonstrate fuel availability on an Inventoried Energy Day (*i.e.*, a trigger event day when the average temperature at Windsor Locks, CT is 17 degrees Fahrenheit or less) or pay back one-tenth of the forward payment.

9. A participant in the spot component of the IEP (whether or not the participant was also participating partly in the forward component of the IEP) receives a spot payment of one-tenth of the base rate if it has available fuel on an Inventoried Energy Day.

10. During the IEP winter 2023-2024 period, there was only one Inventoried Energy Day, on January 20, 2024.

11. Canal 3 received, on behalf of the Canal 3 Facility, the forward base payment rate for its election, net the amount of one spot payment for the one Inventoried Energy Day.

Participation of the Canal 3 Facility in the Program for Winter 2023-2024

12. On September 21, 2023, on behalf of Canal 3, Canal Marketing informed ISO-NE that it elected to participate in both the forward and spot components of the IEP for the 2023-2024 winter period with respect to the Canal 3 Facility. Canal Marketing provided the required

supporting information to support its election submission, including an affidavit stating that the Canal 3 Facility would be available for the IEP.

13. As noted, Canal 3 Facility had been on forced outage since February 2023. At the time it made its election submission, Canal Marketing asserts that it anticipated that, based on information provided by General Electric, the Canal 3 Facility would be back online by December 18, 2023 and available to participate in the IEP for the remainder of the 2023-2024 winter.

14. When Canal Marketing made its IEP election submission, the most recent information ISO-NE had was that the Canal 3 Facility was anticipated to return to service by January 31, 2024.

15. On October 26, 2023, ISO-NE informed Canal Marketing that its IEP election submission was accepted.

16. In December 2023, General Electric determined that it did not have a workable solution to obtain the materials necessary to repair the Canal 3 Facility's turbine, and that the Canal 3 Facility's return-to-service date would be delayed until February 18, 2024.

17. The Canal 3 Facility's return-to-service date was subsequently delayed again, and was targeted for March 5, 2024, *i.e.*, after the end of the IEP 2023-2024 winter period.

Canal Marketing Seeks to Return Net Revenues Received for the Canal 3 Facility

18. By mid-December 2023, Canal Marketing informed ISO-NE that the forced outage of the Canal 3 Facility would continue longer than had been expected as of September 21, 2023, when it submitted its IEP election to ISO-NE, and that the return-to-service date of the Canal 3 Facility would not occur before the end of the 2023-2024 winter period.

19. Because it had been receiving regular IEP payments from ISO-NE for the Program while on outage, Canal Marketing sought to (1) return all IEP payments with respect to

the Canal 3 Facility, and (2) withdraw the Canal 3 Facility from the IEP effective immediately. Canal Marketing alerted ISO-NE staff and ISO-NE senior level management and requested guidance from ISO-NE as to how to effectuate these two actions.

20. Based on discussions with ISO-NE staff, it was determined that neither Appendix K nor any other part of the Tariff contains provisions that provide for the return of net revenues by a participant in this particular situation or for a participant to withdraw from the IEP once its election submission has been accepted by ISO-NE.

Request for Waiver and Order Establishing Settlement Procedures

21. On March 4, 2024, as supplemented on March 8, 2024, March 22, 2024, and May 24, 2024, Canal Marketing submitted the Waiver Request seeking waiver of the provisions of the IEP contained in Appendix K of the Tariff, as well as of any other provisions of the Tariff, to the extent necessary to permit Canal Marketing to (1) return to ISO-NE the net revenues, with applicable interest, that Canal Marketing has received on behalf of Canal 3 for the entire 2023-2024 winter period.

22. On March 25, 2024, the IMM filed comments on the Waiver Request. The IMM supported Canal Marketing's request to the extent that Canal Marketing should be ordered to return the revenues, with applicable interest, that Canal Marketing (or its affiliate) received on behalf of Canal 3 for its participation in the IEP for the 2023-2024 winter period. The IMM commented on whether "waiver" was the proper remedy and whether revenues received by Canal 3 should be "net" of the charge incurred on the single IEP trigger event day during winter 2023-2024. The IMM respectfully urged the Commission to fashion a narrow remedy based on the facts at issue in order to respect the design and preserve the incentives of the IEP.

23. On May 24, 2024, Canal Marketing filed a supplement stating that ISO-NE authorized Canal Marketing to state that ISO-NE supports Canal Marketing's request to return

the net revenues, with interest, that Canal Marketing received for the Canal 3 Facility's participation in the IEP for the 2023-2024 winter.

24. On August 12, 2024, the Commission issued the Settlement Procedures Order. The Settlement Procedures Order directed the Commission's Chief Administrative Law Judge ("Chief Judge") to appoint a settlement judge in this proceeding within 15 days of the Settlement Procedures Order, whereupon the settlement judge shall convene a settlement conference as soon as practicable.

25. On August 21, 2024, in an Order of Chief Judge Designating Settlement Judge, the Chief Judge of the Commission designated Judge Patricia E. Hurt as the Settlement Judge in this matter.

II. TERMS OF SETTLEMENT

26. In order to promptly resolve the underlying issues without further delay or litigation, Canal Marketing, its affiliate Canal 3, and ISO-NE, including its IMM, hereby agree as follows: Canal Marketing shall refund and repay to ISO-NE the net revenues that it received on behalf of the Canal 3 Facility for participating in the IEP for the winter 2023-2024 period, plus interest. The settlement amount ("Settlement Amount") shall consist of lump sum of \$1,968,156.08, and interest to be calculated in accordance with 18 C.F.R. §35.19a (a) (2)(iii)(A), (B) (2024). The time period for calculating interest will be from January 15, 2024, the midpoint of the IEP 2023-2024 winter period, until the day that the parties receive notice of approval of this Agreement by the Commission. *See* <https://www.ferc.gov/interest-calculation-rates-and-methodology>

27. From the date that the Agreement is approved by the Commission, Canal Marketing shall have 10 Business Days to pay the Settlement Amount to ISO-NE.

28. After receipt of the Settlement Amount, the ISO shall have 60 days to distribute the Settlement Amount as appropriate to the average Real-Time Load Obligation for the IEP winter 2023-2024 period.

29. By its authorized signature below, the IMM acknowledges that it has reviewed this Agreement in its entirety, including the above-stated terms, has had the opportunity to express its views, and does not object to the terms of the Agreement.

30. The “Effective Date” of this Agreement shall be the date on which the Commission issues an order approving the Agreement without material modification. When effective, this Agreement shall resolve the matters specifically addressed herein that arose on or before the Effective Date as to Canal Marketing, its affiliate Canal 3, its respective agents, officers, directors, or employees, past and present.

31. Except as explicitly set forth herein, no signatory to this Agreement will be deemed to have approved, accepted, agreed to, or consented to (i) any principle or position in this proceeding or to have prejudiced positions taken or that may be taken in this or any other proceedings, nor (ii) any principle or policy related to the rates, charges, classifications, terms, conditions, principles, or issues associated with the Agreement. The Agreement will have no precedential value, will not be cited as precedent, and will not be deemed to bind any entity (except as otherwise expressly provided for herein) in any proceeding, including any Commission or court proceeding, except in any proceeding to enforce the Settlement Agreement. The Settlement Agreement will not be deemed to be a “settled practice” as that term was interpreted and applied in *Public Service Commission of the State of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980), or a “long standing practice” as that term was used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1979).

32. Unless the Commission issues and order approving the Agreement in its entirety and without material modification, the Agreement shall be null and void and of no effect whatsoever, and ISO-NE and Canal Marketing shall not be bound by any provision or term of the Agreement, unless otherwise agreed to in writing by ISO-NE, including its IMM, and Canal Marketing, including its affiliate Canal 3.

33. This Agreement binds Canal Marketing, Canal 3, and its agents, successors, and assignees. This Agreement does not create any additional or independent obligations on Canal Marketing, or any affiliated entity, including but not limited to Canal 3, their agents, officers, directors, or employees, other than the obligations identified in this Agreement.

34. The signatories to this Agreement agree that they enter into this Agreement voluntarily and that, other than the recitations set forth herein, received no tender, offer or promise of any kind by any member, employee, officer, director, agent or any other party to enter into the Agreement.

35. This Agreement can be modified only if in writing signed by Canal Marketing, including its affiliate Canal 3, and ISO-NE, including its IMM, and any modification will not be effective unless approved by the Commission.

36. The applicable standard of review for the Agreement shall be the ordinary “just and reasonable” standard of review.

37. Each of the undersigned representatives of Canal Marketing, Canal 3, ISO-NE, and its IMM affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief.

38. Each of the undersigned represents that he or she is an authorized representative of the entity designated, is authorized to bind such entity, and accepts the Agreement on the entity's behalf.

39. This Agreement may be executed in duplicate or triplicate, each of which so executed shall be deemed to be an original.

October 7, 2024

Agreed to and Accepted:

/s/ Timothy Helwick
Assistant General Counsel/Market Monitoring
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
(413) 535-4585
thelwick@iso-ne.com
On behalf of ISO New England

/s/ George (Chip) Cannon Jr.
Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, DC 20004-1109
Tel: (202) 637-8378
chip.cannon@hoganlovells.com
On behalf of Canal Energy Marketing LLC and
Canal 3 Generating LLC

With respect to above Paragraphs 3, 22, 26, 29, 32,
34-38

/s/ David Naughton
Executive Director, Internal Market Monitor
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Telephone: (413) 535-4000
dnaughton@iso-ne.com
On behalf of the Internal Market Monitor