

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

ISO-New England Inc.)	
)	
and)	Docket No. ER14-1639-000
)	
New England Power Pool)	
Participants Committee)	

**Affidavit of Dr. David Hunger
In Support of Limited Protest
of New England Power Generators Association, Inc.**

1. My name is David Hunger. I am a Vice President with the Energy Practice of Charles River Associates (“CRA”). My business address is 1201 F Street, NW, Suite 700, Washington, DC 20004-1229. I have extensive experience in energy market analysis, and was formerly a senior economist and Deputy Division Director in the Office of Energy Market Regulation at the Federal Energy Regulatory Commission (“Commission”).
2. For fourteen years at the Commission, I led analyses involving mergers and other corporate transactions; market power in market-based rates cases; investigations of market manipulation in electricity and natural gas markets, demand response compensation, compliance cases for Regional Transmission Organizations (RTOs); and competition issues in Commission-jurisdictional energy and capacity markets.
3. Since leaving the Commission and joining CRA in June 2013, I have testified in several Commission proceedings involving organized capacity markets administered by independent system operators (“ISOs”) and RTOs. In particular, I have filed testimony in Commission proceedings involving capacity market reform in PJM and ISO-NE.
4. Since 2001, I have also been an affiliated professor at the Georgetown Public Policy Institute (GPPI), where I teach microeconomic theory, energy policy, and public finance. My research interests include energy market design, market power in energy markets, and energy policy. I am a frequent speaker on energy market issues and have published articles on energy economics and policy.
5. A summary of my background and relevant experience is provided in Exhibit DH-1.

6. I have been asked by the New England Power Generators Association, Inc. (“NEPGA”) to explain the economic effect and estimate the financial impact of exempting certain resources from the Minimum Offer Price Rule (MOPR) in the ISO-NE Forward Capacity Auction (“FCA”). Briefly, I find that the proposed exemptions for the Forward Capacity Market (“FCM”) administered by ISO-NE artificially suppress FCM prices leading to inefficient price signals regarding entry, exit, and expansion decisions for capacity resources in ISO-NE. I estimate that the proposed exemption would result in artificial price suppression of approximately \$0.50 – \$2.50 per kW/month, which amounts to up to approximately \$1.002 billion for the 2018/2019 delivery period alone. The practice of offering non-economic supplies into the FCA severely impedes the purpose of the ISO-NE capacity market, the FCM. The increase in supply in the FCAs arising from subsidized offers crowds out otherwise economic physical supplies that, lacking the critical revenues from clearing in the FCAs, may retire or, in the case of new resources, not be built, thus putting ISO-NE resource adequacy and system reliability at risk.
7. Although I recommend against adopting the proposed exemption, if it is accepted, then it would be advisable to put mitigation measures in place to minimize the price suppression impact. I have reviewed the proposal offered by Brookfield Energy (Brookfield Proposal) and find that it would assist in minimizing the price suppression effects of the ill-advised proposed MOPR exemption.
8. I have also been asked to assess the economic impact of extending the lock-in period for new capacity resources from five to seven years in the FCM. Here, I also find that the proposed revision will further artificially suppress prices leading to inefficient price signals regarding entry, exit, and expansion decisions for capacity resources in ISO-NE. I also conclude that the proposed extension would exacerbate the existing price discrimination in the FCM between new and existing resources and amounts to a transfer of dollars from existing to new resources with no efficiency benefit to offset the distortion. The economics of price discrimination in this case are completely parallel to other price discrimination proposals with which the Commission is familiar, including the subsidized new entry by vertically-integrated ratebase entities. If the ISO believes there will be insufficient investment without the intervention of an extended lock-in, it should reconsider what causes investor uncertainty and improve the curve, not introduce additional price discrimination that could distort the market and possibly exacerbate the negative view of long-term prices. The demand curve was a giant step in the right direction; it should not require additional subsidies for new entry.

9. *Please explain the nature of the FCM market.*

10. Capacity markets are in place in order to provide the necessary revenues to ensure sufficient resources are available to meet resource adequacy requirements and maintain system reliability. Because resource adequacy requires reserve capacity in order to meet the one day in ten years loss of load expectation (“1-in-10 LOLE”) reliability standard, energy and ancillary services markets, particularly markets with offer or price caps, will not provide revenues sufficient to maintain the necessary level of resources available to the system operator.¹
11. The FCM is a physical market. This is settled as a matter of Commission policy and is essential if ISO-NE’s capacity market is to fulfill its intended purpose of ensuring reliability through resource adequacy. Any policy that artificially suppresses capacity prices impedes the necessary investment in deliverable resources, and thus jeopardizes the system reliability that the FCM construct was designed to ensure. The Commission has recognized this in a number of contexts (in ISO-NE and other ISO/RTO markets as well); and it has approved MOPRs to address uneconomic, out-of-market policies that artificially suppress prices in forward capacity markets.²
12. It is important to remember that the whole purpose of forward capacity auctions – in New England and elsewhere – is to ensure that, over time, there are sufficient revenues from the combination of energy, capacity and ancillary services revenues. Since capacity prices from each FCA are only set for a single year, investors in long-lived assets, such as generation facilities, must have confidence that capacity market outcomes will reflect fundamental capacity supply and demand conditions far into the future to support investment in long-lived assets such as generation.

¹ While the need for a capacity market arises from the “missing money” and hence is about economics, it nonetheless is the case that the ability to produce energy and ancillary services in the needed quantities is essential to the reliable operation of an electric system. Missing money is a commonly used term in the context of capacity markets, but may have differing connotations to different parties. The supply stack in the energy markets is comprised of units with variable costs ranging from near zero to levels that only make units economic to run under the highest demand hours of the year. Because of that, net energy revenues vary significantly across hours and across types of units. While inframarginal units with low variable costs may be able to cover a significant portion of their costs in the energy markets, higher cost units run less frequently and usually have small margins in the energy markets. In the extreme, if a unit runs for only one hour per year and sets the clearing price at its marginal cost, the capacity payment is required to cover all other unit costs for the year. Given those characteristics of the supply curve, and the fact that the 1-in-10 LOLE reliability standard requires a reserve margin of 10-15%, markets for energy and ancillary services cannot be expected to provide a revenue stream sufficient to support building and retaining enough resources to meet that standard. In addition, the existing offer caps in the ISO-NE markets exacerbate the missing money problem.

² See, e.g., PJM, ER11-2875-000. *Order on tariff filing and related complaint addressing buyer side mitigation and MOPR*. 2011; *PJM Interconnection, L.L.C.*, 128 FERC ¶ 61,157 at P 102

13. Investor confidence in regulatory constructs such as the FCM is fragile – it has to be earned. Investors in ISO-NE and other markets have already seen a range of proposals from various quarters which seek to undermine the principle of non-discriminatory pricing through subsidized entry, artificially low offer prices by vertically-integrated utilities, load interests, and other means. These proposals share with the current controversy the same fundamental root: interfering with price signals that a properly-functioning capacity market should send to encourage new entry when needed, to encourage sufficient maintenance and re-investment in existing facilities, and to discourage premature exit of existing resources. It is important to bear in mind that investors in ISO-NE and other markets have been asked to accept any number of similar distortions, all operating to manage prices down, and cannot be expected to place their confidence in markets that present them with such “heads I win, tails you lose” propositions.
14. As noted in paragraph 11 above, the Commission has approved MOPRs in each of the eastern RTOs in order to address the artificial, price suppressing effects of non-economic entry in the capacity markets. Exempting up to 200 MWs per year from the MOPR undermines its effectiveness and allows for the artificial suppression of the clearing price received by all resources in the FCA. These are not abstract, academic issues. Rather these policies can significantly affect the clearing price in the forward capacity markets, which affect long-term investment decisions and the reasonable compensation opportunity for investments to date. The basic principle of the New England zonal capacity market design is that all units providing the same capacity product in a zone should be paid the same price. The price should reflect the cost of keeping sufficient capacity online to meet reliability requirements. The price in each zone could be set by existing units based on their risk-adjusted going-forward costs or by new capacity covering the cost of new entry, but that single price should be paid to all capacity contributing to resource adequacy.
15. ***Please explain the economic effects of ISO-NE’s proposed policy exempting certain resources from the MOPR.***
16. Basic economics tells us that, given a set demand curve, an outward shift of the supply curve will result in a decrease in the market clearing price. This would be an efficient outcome if the outward shift in supply were the result of changes in competitive market fundamentals, such as the entry of a new, low cost supply resource. Unfortunately, that is not the case here. Here, resources with relatively high costs would be allowed to bid into the FCA at prices as low as zero, knowing that they will receive the clearing price along with public policy inspired subsidies that will make them economically viable.

17. The elasticity of supply offers and the slope of the demand curve are the critical parameters in estimating the marginal effect of moving 200 – 600 MWs from the uneconomic portion of the supply curve to the front of the supply curve. Ideally, we would have the actual offer data and could simply reconstruct the supply curve and recalculate the clearing price at the intersection with the proposed demand curve. However, the offers are not publicly available. Fortunately, the Brattle Group developed a representative supply curve for the ISO during the stakeholder review process.³ Their curve, which was made available as a series of 37 price/quantity pairs, was based on a combination of two sources: 1) for offers below \$7/kW-month, it was based on their review of publicly posted PJM supply curves because the price floor in ISO-NE prevented insight into this part of the ISO-NE supply curve, and 2) for the more vertical portion above \$7/kW-month, they used a composite of ISO-NE supply curves for FCAs 1-7. In order to provide an empirical estimate of this price suppression effect, I use the demand curve proposed by the ISO and the estimated supply curve from the Brattle testimony (Representative Supply Curve).⁴
18. Although moving from a vertical to a sloped demand curve reduces the price-suppression effect, the fact that the FCM supply curve is highly inelastic at the margin intensifies the problem of price suppression related to uneconomic entry. Even a small change in supply conditions at the margin can have a significant effect.⁵ As explained in detail below, using the proposed demand curve and a representative supply curve, I estimate that allowing 200 MWs to offer in at the zero portion of the supply curve suppresses prices approximately 4.5% (\$0.50 per kW-month), in a single year.⁶ The impact in a single zone has the potential to be much greater.
19. ISO-NE has also proposed carrying up to 400 MWs of the exemption over for up to two years. This exacerbates the price suppressing effect described above by allowing for up to 600 MWs to offer into the FCA as MOPR-exempt resources in a given year, which results in a price suppression of approximately 23% (\$2.50 per kW-month), using the Representative Supply Curve. As shown in Figure 1, the proposed MOPR exemption causes this price-suppressing effect despite the proposed slope of the demand curve. At

³ Testimony of Dr. Samuel A. Newell and Dr. Kathleen Spees on behalf of ISO New England Inc. Regarding a Forward Capacity Market Demand Curve at p. 15.

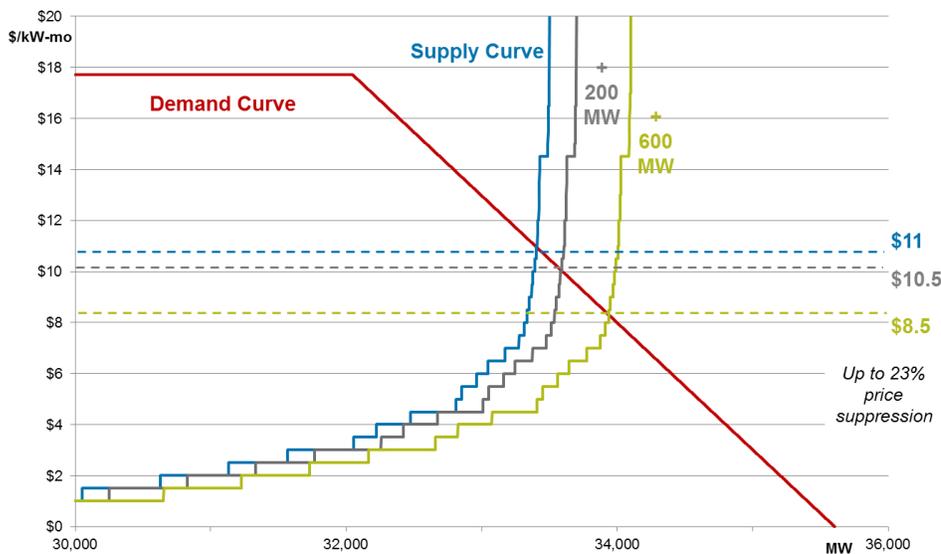
⁴ *Id.*

⁵ Note that any assumption that adding 200MW of renewables per year will not suppress prices since it will follow the assumed load growth is flawed because it overlooks the fact that the RTR will be displacing other economic resources.

⁶ Because the supply offer curve has steps for each bid, the price effect can be estimated by where the demand and curve intersect, or where the next step occurs. For these calculations, the differences are minimal.

the market-clearing level shown in Figure 1, this translates into a drop in capacity revenues of just over \$1 billion in a single delivery year and an interruption in the expected streams of revenues over time to support investments.⁷ As described in paragraph 10 above, the capacity market is needed to generate the revenues to cover the “missing money” from the energy and ancillary services markets in the case where a reserve margin is needed to provide adequate resources to ensure system reliability. This is not just a matter of a transfer from sellers to buyers, but an inefficient outcome that can jeopardize resource adequacy. This result would have more than academic consequences. It would hamper investment in the new or upgraded capacity needed to ensure the system reliability for which the capacity markets were created in the first place. It would also distort transmission planning and investment. Because capacity is a forward physical product, with a necessary lead time for the majority of capacity resources of usually at least two to three years, a capacity shortage is not a problem until it is actually staring the system operator in the face, and it is too late to fix.

Figure 1: Impact of Renewable OOM Resource Exemptions on Price, using representative curves



20. *Please discuss possible mitigation measures to address the market inefficiencies and avoid the reliability concerns described above.*

21. It is important to keep in mind that the MOPR appropriately limits entry of resources with true economic costs above intersection of the supply and demand curves, therefore serving as a policy fix to a common problem in all of the capacity markets. As a reasonable approach to accommodate state policies on renewables while minimizing the impact on the market as a whole, some other mitigation approach could make sense. As a

⁷ \$2.50 per KW- month * 1,000 KW/MW * 12 months/year * 33,405 MW = \$1,002,150,000. (based on the original clearing amount)

design objective, the mitigation would allow for the stated policy objectives of increasing opportunities for new renewable OOM resources to enter the market without distorting the market outcomes by artificially suppressing prices. Conceptually, the way to do that is to ask “where would the market have cleared, but for the uneconomic zero offers of those resources that are being exempted from the MOPR”? The “but for” scenario is often difficult to solve for, but here it is a fairly straightforward exercise. If the FCM were a free market where resources, acting as self-interested sellers, could simply offer in at whatever they deemed to be a profit-maximizing strategy, then it would be difficult to predict what a resource would have otherwise bid. However, the FCM is more of an administrative construct where offers are highly mitigated (in both directions) to address potential market power problems. As an example, some classes of resources have an Offer Review Trigger Price (“ORTP”), based on costs and expected revenues. New resources seeking to offer below those prices can do so only if the ISO-NE Internal Market Monitor approves the below-ORTP offer. Likewise, existing resources are limited to offering at or below a formulaic representation of their going-forward costs, subject to IMM review.

22. Given the degree of mitigation, the ISO could reasonably assume what price a resource would have offered absent the MOPR exemption and calculate the associated clearing price. That price would be the “but for” price that removes the price suppressing effect of the MOPR exemption, effectively moving us back to the initial market equilibrium shown above in Figure 1. Under this approach, the states would achieve their objective of receiving market-based compensation for the renewable OOM resources without any distortion in the market clearing price.
23. Another mitigation proposal was considered in the NEPOOL stakeholder process which would substantially – but not completely – mitigate the price suppression effects of the proposed MOPR exemption. My understanding of the Brookfield Proposal is that all eligible renewable OOM resources (“Renewable Technology Resource” or “RTR”) would offer into the FCA at their ORTP or lower, if such lower offer is approved by the IMM based on actual economic costs. The FCA would clear against the sloped demand curve. A renewable OOM resource that clears would be treated as an existing resource in all subsequent FCAs in which they offer their capacity. The key element of the Brookfield Proposal is that an RTR that does not clear in the auction would be paid the same prorated price as other resources that cleared in the auction, and would then be treated as an RTR in all subsequent FCAs until it clears in the auction based on its applicable ORTP or its actual economic costs. As a result, the first 1,000 MW of RTRs that offer into the FCA will receive the same price as resources that clear economically. They will either clear as a result of their ORTPs being less than the market clearing price or by receiving RTR treatment until their individual offers clear in subsequent auctions.

24. The other key aspect of the Brookfield Proposal is that it mitigates any additional costs to the system. In order to accomplish that, each resource that clears in the FCA and each RTR that does not would be paid a price adjusted downward that offsets the higher quantity caused by the RTRs that receive CSOs pursuant to the Brookfield Proposal. The formula Brookfield presents is as follows:

$$\text{System capacity price} = \frac{(\text{cleared MW} * \text{FCA price } \$/\text{kW-mo})}{(\text{cleared MW} + \text{uncleared RTR MW})}$$

25. The strength of this proposal is that it leads to the least amount of price suppression of any option that does not result in any increased costs compared to where the FCA would clear without the RTRs. The numerator is simply the clearing price multiplied by the total MW cleared, which is equal to the total cost to the system. The denominator is the sum of the cleared MW and the uncleared RTR MW (which can reach up to 1,000 MW given the proposed rollover cap). This equation establishes a prorated clearing price. The total entry from new RTRs in an auction can be expected to be in the range of 200 MWs to 600 MWs. The price suppressing effect of accommodating RTRs would be much smaller under the Brookfield Proposal than it would be by simply allowing RTRs to offer in at zero and let the market clear.

26. Using the numbers shown in Figure 1 and assuming 600 MWs of RTRs, a straightforward calculation shows the vast difference between the 23% price suppression in the ISO proposal and a mere 1.8% price suppression to sellers in the Brookfield Proposal – where the price would fall from \$11.00 per kW-month to \$10.81 per kW-month, while accomplishing the same policy goal.

$$\text{System capacity price} = \frac{(33,405 * 11.00 \$/\text{kW-mo})}{(33,405 + 600)} = \frac{367,455}{34,005} = \$10.81/\text{kW-mo}.$$

An additional 400 MW, bringing the total to the cap of 1,000 MW, would lead to a price of \$10.68 per kW-month (367,455 / 34,405).

27. The Brookfield Proposal (or some other form of “but for” approach to mitigation) is far superior, in terms of market efficiency perspective, to the ISO exemption proposal, and will better support investor confidence and the long-term efficient functioning of the wholesale markets. As noted above, the distortion created by the proposed MOPR exemption would have more than academic consequences. It would hamper investment in the new or upgraded capacity needed to ensure the system reliability for which the capacity markets were created in the first place, while also distorting transmission

planning and investment. The Brookfield Proposal does a good job of minimizing the economic distortion while respecting the stated policy objective of the proposed MOPR exemption.

28. ***Please discuss the economic effects of extending the current five-year lock-in for new resources to seven years.***

29. At present, a resource that clears the FCA as a New Generating Resource may elect to receive the clearing price from the FCA in which it clears for four additional years (for a five year “lock-in” period), indexed for inflation (“New Entry Pricing”). The Filing Parties are proposing to extend the clearing price “lock-in” period to seven years, asserting that a seven year lock-in period is necessary to offset perceived regulatory risk and aspects of the Filing Parties’ proposed design that have a deterring effect on new resource investment, including the level of the price cap.

30. Here, I also find that the proposed revision will artificially suppress prices leading to inefficient price signals regarding entry, exit, and expansion decisions for capacity resources in ISO-NE. I also conclude that the proposed extension would exacerbate the existing price discrimination in the FCM between new and existing resources and amounts simply to a transfer of revenues from existing to new resources with no efficiency benefit to offset the distortion. The economics of price discrimination in this case are completely parallel to other price discrimination proposals with which the Commission is familiar, including the subsidized new entry by vertically-integrated ratebase entities. Price discrimination between new and existing resources violates the fundamental economic premise that resources providing the same service should receive the same price.

31. I would expect lower price expectations for existing resources under a 7-year lock-in for the following reasons:

- New entrants would be willing to come in at a lower price when they are offered a longer guaranteed price lock-in. Clearing prices are therefore lower in years when new entry occurs that would have otherwise been uneconomic. The Brattle Group also notes this issue, stating “...the positive effect of the lock-in on medium term returns may be offset by lower prices in the long-term if future entrants would reduce their bids due to the lock-in available to them.”⁸
- The additional supply brought in by the longer lock-in will be entered in subsequent auctions as existing, price-taker bids. This pushes the supply curve out compared to a

⁸ Testimony of Dr. Samuel A. Newell and Mr. Christopher D. Ungate on behalf of ISO New England Inc. Regarding the Net Cost of New Entry for the Forward Capacity Market Demand Curve at p. 40.

scenario when new entry did not occur at the same level, thus decreasing the clearing price.

32. In justifying the move to a 7-year lock-in, the ISO-NE testimony presents a chart comparing expected capacity prices under a 5-year and a 7-year lock-in.⁹ This was originally presented very late in the stakeholder process to illustrate how the lost capacity revenues from decreasing the price cap from 2x Net CONE to 1.61x Net CONE could be offset for new entrants by introducing a longer lock-in period. This concept was not thoroughly vetted during the stakeholder process. It requires many assumptions that deserve consideration. It also leads to two very important questions: 1) Does the ISO really believe the curve will equilibrate and average Net CONE in the long-term when it presents its analysis using an investor expectation of \$4.80/kW-month (0.4x Net CONE)?, and 2) Why is an intervention such as extending the lock-in preferred to developing a curve that can elicit more confidence of returning Net CONE on average for all resources, without discrimination?
33. One of the reasons ISO-NE is moving to a sloped demand curve is to enable the removal of administrative pricing rules that previously led to price discrimination between new entrants and existing resources. I agree with this motivation and the notion that a sloped demand curve obviates the need for most of those legacy rules. The previous price discrimination was highlighted in the Brattle Demand Curve testimony. Brattle noted the impact that price discrimination and price suppression have on the system: “The expectation of systematic under-payment to existing resources also means that new resources must inflate their offer levels to ensure higher prices upon entry, if they are to recover investment costs over the asset life including the years when they will be classified as existing supply.” They note that price discrimination will continue due to the Capacity Commitment Period Election (the lock-in).¹⁰
34. Because new entrants become existing resources as soon as their lock-in period is over, they must consider the average expected return in many future FCAs. The ISO cites a large discount factor used by developers based on perceived regulatory risk, which leads to a price expectation of \$4.80/kW-month.¹¹ Even if such a large discount factor is accurate,¹² the ISO testimony and graph miss one important detail – how investors would consider the price suppression impacts of a longer lock-in period. Clearly the long-term

⁹ Testimony of Robert G. Ethier on behalf of ISO New England Inc. Regarding a Forward Capacity Market Demand Curve at p. 35.

¹⁰ Testimony of Dr. Samuel A. Newell and Dr. Kathleen Spees on behalf of ISO New England Inc. Regarding a Forward Capacity Market Demand Curve at p. 26.

¹¹ Testimony of Robert G. Ethier on behalf of ISO New England Inc. Regarding a Forward Capacity Market Demand Curve at p. 32.

¹² I do not form an opinion on the size of the discount perceived by investors. I am confident it will be lower with a sloped demand curve than it was previously, but I understand that regulatory risk remains high in ISO-NE.

price expectation for existing resources is different for different lock-in lengths. The longer lock-in brings in additional resources which, especially at the zonal level, can greatly decrease prices for all existing resources. In a way, the longer lock-in becomes self-perpetuating. It decreases long term price signals, which in turn creates a greater need for subsidization in the near-term, which will lead to lower long-term price expectations, etc.

35. The ISO does address the question of why it sees a longer lock-in as preferable to “increasing the price under current market conditions.”¹³ The simple claim is that it is not palatable to bring a large degree of regulatory risk into the market, as it would greatly increase prices seen by buyers. The issue with this logic is that anytime there is an attempt to hide buyers from the cost of a risk, it must get paid for elsewhere. In this case, it is paid for by existing generators through price suppression. It is also paid for by the cost to buyers for the locked-in resources that are otherwise uneconomic. Finally, as uneconomic retirements result, the buyers pay for both an upward price swing and for replacement capacity that may also be uneconomic.
36. If an investor in new capacity needs to see Net CONE on average over 20 years,¹⁴ there are multiple ways for the ISO to provide it. Ideally, it would be provided in a market without regulatory risk with a demand curve that truly brings Net CONE on average. Under a high regulatory risk construct with a long-term expectation of \$4.80/kW-month, the ISO claims a 7-year lock-in is required to match Net CONE on average given their 1.6x Net CONE price cap. I calculate that the same system with a 5-year lock-in would also provide the equivalent of Net CONE on average if the price expectation was \$6.50/kW-month. Note that the \$1.70/kW-month difference is within the range of the price suppression I estimated for the renewable OOM resource exemptions.
37. To recap, I find that the proposed MOPR exemption would artificially suppress FCM prices, leading to inefficient price signals regarding entry, exit, and expansion decisions for capacity resources in ISO-NE. The proposed exemption and the extended lock-in promote non-economic entry in the capacity markets; which the Commission has recognized to be problematic and has approved MOPRs in each of the eastern RTOs to address. I estimate the ISO’s proposed MOPR exemption will result in an inefficient price distortion in upcoming FCM auctions of up to 23%, amounting to as much as just over \$1 billion per year. In contrast, effective price suppression mitigation, such as the

¹³ Testimony of Robert G. Ethier on behalf of ISO New England Inc. Regarding a Forward Capacity Market Demand Curve at p. 32-33.

¹⁴ The investor prefers near term returns, so it is not a true average that is important, but rather one adjusted for WACC. They need to see an NPV equivalent to Net CONE for 20 consecutive years, which could be made through very high prices in the short-term outweighing low prices in the long-term, which is the general concept behind the lock-in.

Brookfield proposal would result in only up to a 1.8% price suppression, while accomplishing the same policy objective. Finally, I question the efficacy of the proposed extension of the price lock in from five to seven years, while it exacerbates the price discrimination between new and existing resources.

38. This concludes my affidavit.

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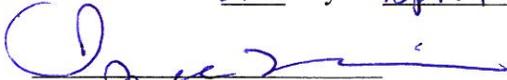
AFFIDAVIT OF DAVID HUNGER, Ph.D.
ON BEHALF OF THE NEW ENGLAND POWER GENERATORS ASSOCIATION, INC.

I, David Hunger, Ph.D., being duly sworn, depose and state that the foregoing Affidavit on behalf of the New England Power Generators, Inc. is true, correct, accurate, and complete to the best of my knowledge, information, and belief.



David Hunger, Ph.D.

SUBSCRIBED AND SWORN to
before me this 21st day of April, 2014



Notary Public

My commission expires: MAY 31 2018



Exhibit DH-1

Qualifications and Experience of David Hunger, Ph.D.