Attachment I

23.2 Conduct Warranting Mitigation

23.2.1 Definitions

The following definitions are applicable to this Attachment H:

For purposes of Section 23.4.5 of this Attachment H, "**Additional CRIS MW**" shall mean the MW of Capacity for which CRIS was requested for an Examined Facility pursuant to the provisions in ISO OATT Sections 25, 30, or 32 (OATT Attachments S, X, or Z), including either: (i) all, or a portion, of the MW of Capacity of that Examined Facility for which CRIS had not been obtained in prior Class Years through a prior Class Year process or through a transfer completed in accordance with OATT Section 25 (OATT Attachment S); and/or (ii) all, or a portion, of an increase in the Capacity of that Examined Facility. Additional CRIS MW does not include any MW quantity of CRIS that is exempt from an Offer Floor pursuant to Section 23.4.5.7.7(a) or (b), Section 23.4.5.7.8, or an increase of 2 MW or less in an Examined Facility's MW quantity of CRIS obtained pursuant to Section 30.3.2.6 of Attachment X to the OATT.

"**Additional SDU Study**" shall mean a deliverability study that a Developer may elect to pursue as that term is defined in OATT Section 25 (OATT Attachment S).

For purposes of Section 23.4.5 of this Attachment H, "**Affiliated Entity**" shall mean, with respect to a person or Entity:

i) all persons or Entities that directly or indirectly control such person or Entity;

ii) all persons or Entities that are directly or indirectly controlled by or under common control with such person or Entity, and (1) are authorized under ISO Procedures to participate in a market for Capacity administered by the ISO, or (2) possess, directly or indirectly, an ownership, voting or equivalent interest of ten percent or more in a Mitigated Capacity Zone Installed Capacity Supplier;

iii) all persons or Entities that provide services to such person or Entity, or for which such person or Entity provides services, if such services relate to the determination or submission of offers for Unforced Capacity in a market administered by the ISO or offers of capacity from a Generator electrically located in a MCZ Import Constrained Locality; or

iv) all persons or Entities, except if for ISP UCAP MW or an RMR Generator, with which such person or Entity has any form of agreement under which such person or Entity has retained or has conferred rights of (i) Control of Unforced Capacity or (ii) the ability to determine the quantity or price of offers to supply capacity from a Generator that has Capacity Resource Interconnection Service, pursuant to the applicable provisions of Attachment X, Attachment S and Attachment Z and is electrically located in an MCZ Import Constrained Locality, even if such capacity does not meet the requirements to be Unforced Capacity.

In the foregoing definition, "**control**" means the possession, directly or indirectly, of the power to direct the management or policies of a person or Entity, and shall be rebuttably presumed from an ownership, voting or equivalent interest of ten percent or more.

Catastrophic Failure: shall mean a Forced Outage initially suffered by a Generator which would have reasonably required a repair time of at least 270 days, from the date of the event resulting in the Forced Outage, had it, or a comparable Forced Outage been suffered at a generating facility that is reasonably the same as or similar to the Generator's, the owner of which is intending to return it to service. Repair time includes the reasonable number of days for initial clean up, safety inspections, engineering assessment; damage assessment, cost estimates; site prep and clean up, equipment orders, and actual repair, provided the foregoing are necessitated by the Catastrophic Failure. The determination that a Generator has suffered a Catastrophic Failure shall be based on a technical/engineering evaluation, shall be made by the ISO, and may be made at any time following the event that caused the Forced Outage provided that adequate information is provided to the ISO to support such determination.

"**Class Year Study**" means a Class Year Interconnection Facilities Study as that term is defined in OATT Section 25 (OATT Attachment S).

"**Cleared UCAP**" means the amount of MW (rounded down to the nearest tenth of a MW) that had been subject to an Offer Floor but has cleared in accordance with Section 23.4.5.7.

"**Commenced Construction**" shall mean (a) all of the following site preparation work is completed: ingress and egress routes exist; the site on which the Project will be located is cleared and graded; there is power service to the site; footings are prepared; and foundations have been poured consistent with purchased equipment specifications and project design; or (b) the following financial commitments have been made: (i) (A) an engineering, procurement, and construction contract ("EPC") has been executed by all parties and is effective; or (B) contracts (collectively, "EPC Equivalents") for all of the following have been executed by all parties and is effective: (1) project engineering, (2) procurement of all major equipment, and (3) construction of the Project, and (ii) the cumulative payments made by the Developer under the EPC or EPC Equivalents to the counterparties to those respective agreements is equal to at least thirty (30) percent of the total costs of the EPC or EPC Equivalents.

"**Competitive and Non-Discriminatory Hedging Contract**" shall mean a contract to hedge a risk associated with a product offered in the ISO Administered Markets between a Non-Qualifying Entry Sponsor and the Developer, Owner or Operator of an Examined Facility with a term that shall not exceed three years (inclusive of all options to extend and extensions) and that the ISO determines has been executed pursuant to a procurement process that satisfies the requirements enumerated below. Competitive and Non-Discriminatory Hedging Contracts shall not be deemed to be a non-qualifying contractual relationship that would prevent an Examined Facility from obtaining a Competitive Entry Exemption pursuant to 23.4.5.7.9 of Attachment H of this Services Tariff. The ISO shall determine that a contract is a Competitive and Non-Discriminatory Hedging Contract only if it concludes, and the Non-Qualifying Entry Sponsor executes a certification confirming that, the contract was executed through a procurement process that met all of the following requirements: (A) both new and existing resources satisfy the requirements of the procurement; (B) the requirements of the procurement were fully objective and transparent ; (C) the contract was awarded based on the lowest cost offers of qualified bidders that responded to the solicitation; (D) the procurement terms did not restrict the type of capacity resources that may participate in, and satisfy the requirements of, the procurement; (E) the procurement terms did not include selection criteria that could otherwise give preference to new resources; and (F) the procurement terms did not use indirect means to discriminate against existing resources, including, but not limited to, by imposing geographic constraints, unit fuel requirements, maximum unit heat-rate requirements or requirements for new construction.

"**Constrained Area**" shall mean: (a) the In-City area, including any areas subject to transmission constraints within the In-City area that give rise to significant locational market power; and (b) any other area in the New York Control Area that has been identified by the ISO as subject to transmission constraints that give rise to significant locational market power, and that has been approved by the Commission for designation as a Constrained Area.

For purposes of Section 23.4.5 of this Attachment H, "**Control**" with respect to Unforced Capacity shall mean the ability to determine the quantity or price of offers to supply Unforced Capacity from a Mitigated Capacity Zone Installed Capacity Supplier submitted into an ICAP Spot Market Auction; but excluding ISP UCAP MW or UCAP from an RMR Generator.

For purposes of Section 23.4.5.7 "**CRIS MW**" shall mean the MW of Capacity for which CRIS was assigned to a Generator or UDR project pursuant to ISO OATT Sections 25, 30, or 32 (OATT Attachments S, X, or Z).

"**Developer**" shall have the meaning specified in the ISO's Open Access Transmission Tariff.

"**Electric Facility**" shall mean a Generator or an electric transmission facility.

For purposes of Section 23.4.5 of this Attachment H, "**Entity**" shall mean a corporation, partnership, limited liability corporation or partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization or other form of legal or juridical organization or entity.

"**Examined Facility**" shall mean (I) each proposed new Generator and proposed new UDR project, and each existing Generator that has ERIS only and no CRIS, that is a member of the Class Year Study, Additional SDU Study or Expedited Deliverability Study that requested CRIS, or that requested an evaluation of the transfer of CRIS rights from another location in the Class Year Facilities Study commencing in the calendar year in which the Class Year Facility Study determination is being made (the Capability Periods of expected entry as further described below in this Section, the "Mitigation Study Period"), and (II) each (i) existing Generator that did not have CRIS rights, and (ii) proposed new Generator and proposed new UDR project, provided such Generator under Subsection (i) or (ii) is an expected recipient of transferred CRIS rights at the same location regarding which the ISO has been notified by the transferor or the transferee of a transfer pursuant to OATT Attachment S Section 25.9.4 that will be effective on a date within the Mitigation Study Period ("Expected CRIS Transferee"). In the case of Co-located Storage Resources, the Intermittent Power Resource and the co-located Energy Storage Resource will each be a separate Examined Facility for purposes of the Buyer Side Mitigation Measures enumerated in Section 23.4.5.7 *et al*. of the Services Tariff. The term "Examined Facilities" does not include any facility exempt from an Offer Floor pursuant to the provisions of Section 23.4.5.7.7.

Exceptional Circumstances: shall mean one or more unavoidable circumstances, as determined by the ISO, that individually or collectively render as unavailable the data necessary for the ISO to perform an audit and review of a Market Party, pursuant to Section 23.4.5.6.2 of this Services Tariff. Exceptional Circumstances may include, but are not limited to: the inaccessibility of the physical facility; the inaccessibility of necessary documentation or other data; and the unavailability of information regarding the regulatory obligations with which the Market Party will be required to comply in order to return its Generator to service which regulatory obligations are not yet known but which will be made known by the applicable regulatory authority under existing laws and regulations provided that none of the above described circumstances are the result of delay or inaction by the Market Party. The magnitude of the repair cost, alone, shall not be an Exceptional Circumstance.

"**Exempt Renewable Technology**" shall mean, in all Mitigated Capacity Zones, an Intermittent Power Resource solely powered by wind or solar energy, or a Limited Control Run-of-River Hydro Resource.

"**Expedited Deliverability Study**" shall mean a deliverability study that an eligible Developer may elect to pursue as that term is defined in OATT Section 25 (OATT Attachment S) that may determine the extent to which an existing or proposed facility satisfies the NYISO Deliverability Interconnection Standard at its requested CRIS level without the need for System Deliverability Upgrades. The schedule and scope of the study is defined in Sections 25.5.9.2.1 and 25.7.1.2 of this Attachment S.

"**Final Decision Round**" shall have the meaning specified in Section 25 (Attachment S) of the ISO's Open Access Transmission Tariff.

For purposes of Section 23.4.5 of this Attachment H, "**Going-Forward Costs**" shall mean: either (a) the costs, including but not limited to mandatory capital expenditures necessary to comply with federal or state environmental, safety or reliability requirements that must be met in order to supply Installed Capacity, net of anticipated energy and ancillary services revenues, as determined by the ISO as specified in Section 23.4.5.3, for each of the following instances, as applicable, of supplying Installed Capacity that could be avoided if an Installed Capacity Supplier otherwise capable of supplying Installed Capacity were either (1) to cease supplying Installed Capacity and Energy for a period of one year or more while retaining the ability to re-enter such markets, or (2) to retire permanently from supplying Installed Capacity and Energy; or (b) the opportunity costs of foregone sales outside of a Mitigated Capacity Zone, net of costs that would have been incurred as a result of the foregone sale if it had taken place.

For purposes of Section 23.4.5 of this Attachment H, "**Indicative Mitigation Net CONE**" shall mean the capacity price calculated by the NYISO for informational purposes only if there is not an effective ICAP Demand Curve and the Commission (i) has accepted an ICAP Demand Curve for the Mitigated Capacity Zone that will become effective when the Mitigated Capacity Zone is first effective, in which case, the Indicative Mitigation Net CONE shall be the capacity price on such ICAP Demand Curve for the Mitigated Capacity Zone corresponding to the average amount of excess capacity above the Indicative NCZ Locational Minimum Installed Capacity Requirement, as applicable, expressed as a percentage of that requirement that formed the basis for the ICAP Demand Curve accepted by the Commission; or, (ii) has not accepted an ICAP Demand Curve for the Mitigated Capacity Zone, but the ISO has filed an ICAP Demand Curve for the Mitigated Capacity Zone pursuant to Services Tariff Section 5.14.1.2.2.4.11, in which case the Indicative Mitigation Net CONE shall be the capacity price on such ICAP Demand Curve corresponding to the average amount of excess capacity above the Indicative NCZ Locational Minimum Installed Capacity Requirement, expressed as a percentage of that requirement, that formed the basis for such ICAP Demand Curve.

"**Incremental Regulatory Retirement**" shall mean, for purposes of Section 23.4.5 of this Attachment H, the loss of ICAP Supply MW identified by the ISO in accordance with Section 23.4.5.7.13.5.3 in Class Year 2019, and subsequent Class Year Studies, Additional SDU Studies, and Expedited Deliverability Studies that start after July 1, 2020 and will be used in the ISO's calculation of the Renewable Exemption Limit.

"**Initial Decision Period**" shall have the meaning specified in Section 25 (Attachment S) of the ISO's Open Access Transmission Tariff.

"**Interconnection Customer**" shall have the meaning specified in Section 32 (Attachment Z) of the ISO's Open Access Transmission Tariff.

"**Interconnection Facilities Study Agreement**" shall have the meaning specified in Section 30 (Attachment X) of the ISO's Open Access Transmission Tariff.

"**Market Monitoring Unit**" shall have the same meaning in these Mitigation Measures as it has in Attachment O.

"**Market Party**" shall mean any person or entity that is, or for purposes of the determinations to be made pursuant to Section 23.4.5.7 of this Attachment H proposes or plans a Project that would be, a buyer and/or a seller in; or that makes bids or offers to buy or sell in; or that schedules or seeks to schedule Transactions with the ISO in or affecting any of the ISO Administered Markets including through the submission of bids or offers into any External Control Area, or any combination of the foregoing.

"**Minimum Renewable Exemption Limit**" shall mean, for purposes of Section 23.4.5 of this Attachment H, the UCAP value calculated by the ISO in Class Year 2019 and subsequent Class Year Studies in accordance with Section 23.4.5.7.13.5.1 to be used in the ISO's calculation of the Renewable Exemption Limit.

"**Mitigation Study Period**" shall mean the duration of time extending six consecutive Capability Periods and beginning with the Starting Capability Period associated with a Class Year Study, Additional SDU Study, and/or Expedited Deliverability Study.

For purposes of Section 23.4.5 of this Attachment H, "**Mitigated UCAP**" shall mean one or more megawatts of Unforced Capacity that are subject to Control by a Market Party that has been identified by the ISO as a Pivotal Supplier.

For purposes of Section 23.4.5 of this Attachment H, "**Mitigation Net CONE**" shall mean the capacity price on the currently effective ICAP Demand Curve for the Mitigated Capacity Zone corresponding to the average amount of excess capacity above the Mitigated Capacity Zone Installed Capacity requirement, expressed as a percentage of that requirement, that formed the basis for the ICAP Demand Curve approved by the Commission.

"**NCZ Examined Project**" shall mean any Generator or UDR project that is not exempt pursuant to 23.4.5.7.8 and either (i) is in a Class Year on the date the Commission accepts the first ICAP Demand Curve to apply to a Mitigated Capacity Zone or (ii) meets the criteria found in (II) of the definition of Examined Facility above~~specified in 23.4.5.7.3(II)~~. An NCZ Examined Project may be at any phase of development or in operation or an Installed Capacity Supplier.

For purposes of Section 23.4.5 of this Attachment H, "**Net CONE**" shall mean the localized levelized embedded costs of a peaking unit in a Mitigated Capacity Zone, net of the likely projected annual Energy and Ancillary Services revenues of such unit, as determined in connection with establishing the Demand Curve for a Mitigated Capacity Zone pursuant to Section 5.14.1.2 of the Services Tariff, or as escalated as specified in Section 23.4.5.7 of Attachment H.

"**New Capacity**" shall mean a new Generator, a substantial addition to the capacity of an existing Generator, or the reactivation of all or a portion of a Generator that has been out of service for five years or more that commences commercial service after the effective date of this definition.

For purposes of Section 23.4.5 of this Attachment H, "**Offer Floor**" for a Mitigated Capacity Zone Installed Capacity Supplier that is not a Special Case Resource shall mean the lesser of (i) a numerical value equal to 75% of the Mitigation Net CONE translated into a seasonally adjusted monthly UCAP value ("Mitigation Net CONE Offer Floor"), or (ii) the numerical value that is the first year value of the Unit Net CONE determined as specified in Section 23.4.5.7, translated into a seasonally adjusted monthly UCAP value using an appropriate class outage rate, ("Unit Net CONE Offer Floor"). The Offer Floor for a Mitigated Capacity Zone Installed Capacity Supplier that is a Special Case Resource shall mean a numerical value determined as specified in Section 23.4.5.7.5. The Offer Floor for Additional CRIS MW shall mean a numerical value determined as specified in Section 23.4.5.7.6.

For the purposes of Section 23.4.5 of this Attachment H, **"Non-Qualifying Entry Sponsors"** shall mean a Transmission Owner, Public Power Entity, or any other entity with a Transmission District in the NYCA, or an agency or instrumentality of New York State or a political subdivision thereof.

"**Owner**" shall have the meaning specified in Section 31.1.1 of the ISO's Open Access Transmission Tariff.

For purposes of Section 23.4.5 of this Attachment H, "**Pivotal Supplier**" shall mean (i) for the New York City Locality, a Market Party that, together with any of its Affiliated Entities, (a) Controls 500 MW or more of Unforced Capacity, and (b) Controls Unforced Capacity some portion of which is necessary to meet the New York City Locality Locational Minimum Installed

Capacity Requirement in an ICAP Spot Market Auction; (ii) for the G-J Locality, a Market Party that, together with any of its Affiliated Entities, (a) Controls 650 MW or more of Unforced Capacity; and (b) Controls Unforced Capacity some portion of which is necessary to meet the G-J Locality Locational Minimum Installed Capacity Requirement in an ICAP Spot Market Auction; and (iii) for each Mitigated Capacity Zone except the New York City Locality and the G-J Locality, if any, a Market Party that Controls at least the quantity of MW of Unforced Capacity specified for the Mitigated Capacity Zone and accepted by the Commission. Unforced Capacity that are MW of an External Sale of Capacity shall not be included in the foregoing calculations

"**Project Cost Allocation**" shall have the meaning specified in Section 25 (Attachment S) of the ISO's Open Access Transmission Tariff.

"**Project**" shall have the meaning specified in Section 30.1 of the ISO's Open Access Transmission Tariff.

For purposes of Section 23.4.5 of this Attachment H, "**Responsible Market Party**" shall mean the Market Party that is authorized, in accordance with ISO Procedures, to submit offers in an ICAP Spot Market Auction to sell Unforced Capacity from a specified Installed Capacity Supplier.

"**Qualified Renewable Exemption Applicant**" shall mean a Renewable Exemption Applicant that the ISO has determined met the requirements to receive a Renewable Exemption as specified in Section 23.4.5.7.13.1.1 and may be awarded a Renewable Exemption as part of Class Year 2019, and any subsequent Class Year Studies, Additional SDU Studies or Expedited Deliverability Studies subject to the Renewable Exemption Limit calculated and implemented by the ISO as described in Sections 23.4.5.7.13.5 and 23.4.5.7.13.6 of this Attachment H to the Services Tariff.

"**Renewable Exemption Applicant**" shall mean, for purposes of Section 23.4.5 of this Attachment H, a Developer of an Examined Facility in Class Year 2019, and any subsequent Class Year Studies, Additional SDU Studies or Expedited Deliverability Studies that has requested that the ISO evaluate the Examined Facility for a Renewable Exemption. A UDR project may not be a Renewable Exemption Applicant, however, the Intermittent Power Resource that participates in a CSR may be a Renewable Exemption Applicant and Qualified Renewable Exemption Applicant.

"Renewable Exemption Bank" shall mean the amount of UCAP MW calculated separately for each Mitigated Capacity Zone by the ISO to remain available as described in Section 23.4.5.7.13.5.5 from the most recently completed Class Year Study, Additional SDU Study or Expedited Deliverability Study after deducting the UCAP equivalent MW of awarded Renewable Exemptions in that most recent study from the Renewable Exemption Limit.

"Renewable Exemption Limit" shall mean the maximum amount of UCAP MW calculated by the ISO in accordance with Section 23.4.5.7.13.5.5 in Class Year 2019 and any subsequent Class Year Studies, Additional SDU Studies, and Expedited Deliverability Studies that start after July

1, 2020 that is available for Qualified Renewable Exemption Applicants to receive Renewable Exemptions pursuant to section 23.4.5.7.13.

"**Revised Project Cost Allocation**" shall have the meaning specified in Section 25 (Attachment S) of the ISO's Open Access Transmission Tariff.

"Self Supply LSE" shall mean a Load Serving Entity in one or more Mitigated Capacity Zones that operates under a long-standing business model to meet more than fifty percent of its Load obligations through its own generation and that is (i) a municipally owned electric system that was created by an act of one or more local governments pursuant to the laws of the State of New York to own or control distribution facilities and/or provide electric service, (ii) a cooperatively owned electric system that was created by an act of one or more local governments pursuant to the laws of State of New York or otherwise created pursuant to the Rural Electric Cooperative Law of New York to own or control distribution facilities and/or provide electric service, (iii) a "Single Customer Entity," or (iv) a "Vertically Integrated Utility." A Self Supply LSE cannot be an entity that is a public authority or corporate municipal instrumentality created by the State of New York (including a subsidiary of such an authority or instrumentality) that owns or operates generation or transmission and that is authorized to produce, transmit or distribute electricity for the benefit of the public unless it meets the criteria provided in section (i), (ii), or (iii) of this definition. For purposes of this definition only: "Vertically Integrated Utility" means a utility that owns generation, includes such generation in a non-bypassable charge in its regulated rates, earns a regulated return on its investment in such generation, and that as of the date of its request for a Self Supply Exemption, has not divested more than seventy-five percent of its generation assets owned on May 20, 1996; and "Single Customer Entity" means an LSE that serves at retail only customers that are under common control with such LSE, where such control means holding 51% or more of the voting securities or voting interests of the LSE and all its retail customers.

"Starting Capability Period" is the Summer Capability Period that will commence three years from the start of the year of the Class Year Study and shall be the start of the Mitigation Study Period for any Examined Facility in a Class Year Study, as well as any Additional SDU Studies and Expedited Deliverability Studies and that are completed while the Class Year Study is ongoing. If no Class Year Study is ongoing when an Expedited Deliverability Study or Additional SDU Study arrives at the Decision Period, the Starting Capability Period used for the purposes of Section 23.4.5 of this Attachment H shall be the Starting Capability Period that applied to the most recently completed Class Year Study.

"**Subsequent Decision Period**" shall have the meaning specified in Section 25 (Attachment S) of the ISO's Open Access Transmission Tariff.

For purposes of Section 23.4.5 of this Attachment H, "**Surplus Capacity**" shall mean the amount of Installed Capacity, in MW, available in a Mitigated Capacity Zone in excess of the Locational Minimum Installed Capacity Requirement for such Mitigated Capacity Zone.

"**Total Evaluated CRIS MW**" shall mean the Additional CRIS MW requested plus either (i) if the Installed Capacity Supplier previously received an exemption under Sections 23.4.5.7.2(b), 23.4.5.7.6(b), 23.4.5.7.7 or 23.4.5.7.8, all prior Additional CRIS MW since the facility was last exempted under Sections 23.4.5.7.2(b), 23.4.5.7.6(b), or 23.4.5.7.8, or (ii) for all other Installed Capacity Suppliers, all MW of Capacity for which an Examined Facility obtained CRIS pursuant to the provisions in ISO OATT Sections 25, 30, or 32 (OATT Attachments S, X, or Z).

For purposes of Section 23.4.5 of this Attachment H, "**UCAP Offer Reference Level**" shall mean a dollar value equal to the projected clearing price for each ICAP Spot Market Auction determined by the ISO on the basis of the applicable ICAP Demand Curve and the total quantity of Unforced Capacity from all Installed Capacity Suppliers in a Mitigated Capacity Zone for the period covered by the applicable ICAP Spot Market Auction.

For purposes of Section 23.4.5 of this Attachment H, "**Unit Net CONE**" shall mean localized levelized embedded costs of a specified Installed Capacity Supplier, including interconnection costs, and for an Installed Capacity Supplier located outside a Mitigated Capacity Zone including embedded costs of transmission service, in either case net of likely projected annual Energy and Ancillary Services revenues, and revenues associated with other energy products (such as energy services and renewable energy credits, as determined by the ISO, translated into a seasonally adjusted monthly UCAP value using an appropriate class outage rate. The Unit Net CONE of an Installed Capacity Supplier that has functions beyond the generation or transmission of power shall include only the embedded costs allocated to the production and transmission of power, and shall not net the revenues from functions other than the generation or transmission of power.

"Unforced Capacity Reserve Margin" or "URM" shall mean the megawatt value calculated by the ISO when converting the (a) the Installed capacity Reserve Margin (IRM) for the NYCA or (b) the Locational Minimum Installed Capacity Requirement (LCR) for a given Locality within the NYCA into UCAP terms using ICAP to UCAP conversion factors consistent with the corresponding resource adequacy study.

23.2.2 Conduct Subject to Mitigation

Mitigation Measures may be applied: (i) to the bidding, scheduling or operation of an "Electric Facility"; or (ii) as specified in Section 23.2.4.2.

23.2.3 Conditions for the Imposition of Mitigation Measures

23.2.3.1 To achieve the foregoing purpose and objectives, Mitigation Measures should only be imposed to remedy conduct that would substantially distort or impair the competitiveness of any of the ISO Administered Markets. Accordingly, the ISO shall seek to impose Mitigation Measures only to remedy conduct that:

23.2.3.1.1 is significantly inconsistent with competitive conduct; and

23.2.3.1.2 would result in a material change in one or more prices in an ISO Administered Market or production cost guarantee payments ("guarantee payments") to a Market Party.

23.2.3.2 In general, the ISO shall consider a Market Party's or its Affiliates' conduct to be inconsistent with competitive conduct if the conduct would not be in the economic interest of the Market Party or its Affiliates in the absence of market power. The categories of conduct that are inconsistent with competitive conduct include, but may not be limited to, the three categories of conduct specified in Section 23.2.4 below.

23.2.4 Categories of Conduct that May Warrant Mitigation

23.2.4.1 The following categories of conduct, whether by a single firm or by multiple firms acting in concert, may cause a material effect on prices or guarantee payments in an ISO Administered Market if exercised from a position of market power. Accordingly, the ISO shall monitor the ISO Administered Markets for the following categories of conduct, and shall impose appropriate Mitigation Measures if such conduct is detected and the other applicable conditions for the imposition of Mitigation Measures are met:

23.2.4.1.1 Physical withholding of an Electric Facility, that is, not offering to sell or schedule the output of or services provided by an Electric Facility capable of serving an ISO Administered Market. Such withholding may include, but not be limited to, (i) falsely declaring that an Electric Facility has been forced out of service or otherwise become unavailable, (ii) refusing to offer Bids or schedules for an Electric Facility when such conduct would not be in the economic interest of the Market Party or its Affiliates in the absence of market power (includes refusing to offer Bids or schedules to withdraw Energy for a Generator that must withdraw Energy in order to be able to later inject Energy); (iii); making an unjustifiable change to one or more operating parameters of a Generator that reduces its ability to provide Energy or Ancillary Services or (iv) operating a Generator in real-time at a lower output level than the Generator would have been expected to produce had the Generator followed the ISO's dispatch instructions, in a manner that is not attributable to the Generator's verifiable physical operating capabilities and that would not be in the economic interest of the Market Party or its Affiliates in the absence of market power.

For purposes of this Section and Section 23.4.3.2, the term "unjustifiable change" shall mean a change in an Electric Facility's operating parameters that is: (a) not attributable to the Electric Facility's verifiable physical operating capabilities, and (b) is not a rational competitive response to economic factors other than market power.

23.2.4.1.2 Economic withholding of an Electric Facility, that is, submitting Bids for an Electric Facility that are unjustifiably high so that (i) the Electric Facility is not or will not be dispatched or scheduled, or (ii) the Bids will set a market clearing price; or submitting Bids for a Withdrawal-Eligible Generator to withdraw Energy that are unjustifiably high, so that (i) the Electric Facility is or will be dispatched or scheduled to withdraw Energy, or (ii) the Bids will set a market clearing price.

23.2.4.1.3 Uneconomic production from an Electric Facility, that is, increasing the output of an Electric Facility to levels that would otherwise be uneconomic in order to cause, and obtain benefits from, a transmission constraint.

23.2.4.2 Mitigation Measures may also be imposed, subject to FERC's approval, to mitigate the market effects of a rule, standard, procedure or design feature of an ISO Administered Market that allows a Market Party or its Affiliate to manipulate market prices or otherwise impair the efficient operation of that market, pending the revision of such rule, standard, procedure or design feature to preclude such manipulation of prices or impairment of efficiency.

23.2.4.3 Taking advantage of opportunities to sell at a higher price or buy at a lower price in a market other than an ISO Administered Market shall not be deemed a form of withholding or otherwise inconsistent with competitive conduct.

23.2.4.4 The ISO and the Market Monitoring Unit shall monitor the ISO Administered Markets for other categories of conduct, whether by a single firm or by multiple firms acting in concert, that have material effects on prices or guarantee payments in an ISO Administered Market. The ISO shall: (i) seek to amend the foregoing list as may be appropriate, in accordance with the procedures and requirements for amending the Plan, to include any such conduct that would substantially distort or impair the competitiveness of any of the ISO Administered Markets; and (ii) seek such other authorization to mitigate the effects of such conduct from the FERC as may be appropriate. The responsibilities of the Market

Monitoring Unit that are addressed in this section of the Mitigation Measures are also addressed in Section 30.4.6.2.2 of Attachment O.

23.4.5.7.13 Renewable Exemption

23.4.5.7.13.1 Eligibility

23.4.5.7.13.1.1 A Renewable Exemption Applicant, may request to be evaluated for a Renewable Exemption in the amount of its CRIS MW requested in the Class Year Study or Expedited Deliverability Study or which it expects to receive through a transfer of CRIS at the same location. For purposes of this Section 23.4.5.7.13, references to a Renewable Exemption Applicant's CRIS MW shall be understood to encompass Additional CRIS MW in cases where the Renewable Exemption Applicant is an existing Generator seeking a Renewable Exemption for Additional CRIS MW. An Examined Facility or an NCZ Examined Project that is a member of a Class Year Study or Expedited Deliverability Study may not request a Renewable Exemption in the same Class Year Study or Expedited Deliverability Study that it requests a Competitive Entry Exemption, and an Examined Facility or an NCZ Examined Project that is the expected transferee of CRIS being considered with a Class Year Study or Expedited Deliverability Study may not request a Renewable Exemption in respect of the same Class Year Study or Expedited Deliverability Study that it requests a Competitive Entry Exemption, except that a Project that is a Co-located Storage Resource may request a Renewable Exemption for the Examined Facility that is comprised of an Intermittent Power Resource at the same time the co-located Energy Storage Resource may request a Competitive Entry Exemption. The ISO shall evaluate requests for a Renewable Exemption from (y) members of a Class Year Study or Expedited Deliverability Study for Class Year 2019, subsequent Class Year

Studies, Additional SDU Studies and Expedited Deliverability Studies that start after July 1, 2020, provided that the CRIS rights are received no later than the deadline by which the facility must notify the ISO of its election to enter the Class Year, such date as set forth in Section 25.5.9 of OATT Attachment S, and (z) expected recipients of transferred CRIS rights at the same location from which the ISO has been notified, by the transferor or the transferee, of a transfer pursuant to OATT Attachment S Section 25.9.4 that will be effective on a date within the Mitigation Study Period for the Class Year Study or Expedited Deliverability Study, provided that they are received no later than the Class Year Study Start Date for such Class Year Study and the Expedited Deliverability Study Start Date for such Expedited Deliverability Study. If the ISO does not receive requests from Examined Facilities and NCZ Examined Projects by these deadlines it will not evaluate them for a Renewable Exemption. If the Examined Facility or NCZ Examined Project also submits a request for a Competitive Entry Exemption prohibited by this paragraph it will not be evaluated for a Renewable Exemption.

A Generator that remains a member of a completed Class Year, if such Class Year is Class Year 2017 or a prior Class Year, shall not be eligible for a Renewable Exemption, except for Additional CRIS MW. Renewable Exemption Applicants must be "Qualified Renewable Exemption Applicants," as described in (i) and (ii) below, in order to receive a Renewable Exemption subject to the applicable Renewable Exemption Limit determined pursuant to Sections 23.4.5.7.13.5 and 23.4.5.7.13.6. Qualified Renewable Exemption Applicants must also remain in the completed Class Year Study, Additional SDU Study or Expedited Deliverability Study (or if the transferee does not notify the ISO that it no longer expects to be the recipient of the transferred CRIS on or before the date the Class Year Study, Additional SDU Study or Expedited Deliverability Study is completed).

The Qualified Renewable Exemption Applicant must:

(i) have, for its Interconnection Queue position, a proposed design that is a Generator to be powered solely by a device that can qualify as an Intermittent Power Resource, or must be a Limited Control Run-of-River Hydro Resource, as such terms are (A) defined on the date by which the ISO must receive the request for a Renewable Exemption in accordance with this Section 23.4.5.7.13.1.1, or (B) in the ISO's judgment, are reasonably expected to be defined at the time that the Generator is first qualified as an Installed Capacity Supplier; and

(ii) (A) be proposed in a Class Year Study or an Expedited Deliverability Study and be powered solely by a technology that is identified in the Tariff at the time of the start of the Class Year Study or Expedited Deliverability Study to be an Exempt Renewable Technology as defined in Section 23.2 of the Services Tariff; or (B) be proposed in a Class Year Study and be determined by the ISO, in accordance with ISO Procedures, to have (1) high development costs, and (2) a low capacity factor such that there would be limited or no incentive and ability to develop the Generator in order to artificially suppress capacity prices. The ISO shall make this determination only for a Renewable Exemption Applicant participating in a Class Year Study or within an Additional SDU Study. The ISO's determination will be based upon its evaluation of pertinent factors, including whether the reasonably projected costs of new entry and operation of the facility, net of the likely projected revenues from the sale of Capacity, Energy and Ancillary Services, and any other generally available revenues associated with the production of those products, are greater than the reasonably estimated cost savings to Loads due to a reduction in ICAP Market-Clearing Prices projected to result from the entry of the Renewable Exemption Applicant's requested CRIS MW (or CRIS MW to be transferred at the same location).

23.4.5.7.13.2 Periodic Review and Determination of Exempt Renewable Technologies

23.4.5.7.13.2.1 In each ICAP Demand Curve Reset Filing Year after 2016, the ISO shall conduct a periodic review, in accordance with this Section and ISO Procedures, to determine the technology types that should be Exempt Renewable Technologies for Class Years with a Class Year Start Date during the Capability Years covered by the ICAP Demand Curve periodic review conducted for the relevant ICAP Demand Curve Reset Filing Year.

(a) The ISO's periodic review will identify, by Mitigated Capacity Zone, the technologies that, at the time of the periodic review, are technically feasible in the ISO Administered Markets (whether as a single unit, or a plant comprised of more than one unit) and that could qualify as either Intermittent Power Resources or Limited Control Run-of-River Hydro Resources ("candidate intermittent renewable technologies").

(b): For each candidate intermittent renewable technology, the ISO's periodic review will reasonably project:

(i) the costs of new entry and operation;

(ii) the revenues from the sale of Capacity, Energy and Ancillary Services, and any other generally available revenues associated with the production of those products by it; and

(iii) the cost savings to Loads due to a reduction in ICAP Market-Clearing Prices from the new entry of the candidate intermittent renewable technology.

23.4.5.7.13.2.2 The ISO will utilize pertinent factors including results of the computation in accordance with Section 23.4.5.7.13.2.1(b) to determine, for each Mitigated Capacity Zone, which candidate intermittent renewable technologies have (a) high development costs and (b) a low capacity factor, such that considering (a) and (b) there is limited or no incentive and ability to develop the candidate intermittent renewable technology in order to artificially suppress capacity prices.

23.4.5.7.13.2.3 The ISO's periodic review shall provide for:

(a) The ISO's preliminary identification of candidate intermittent renewable technologies for stakeholder review and comment;

(b) The ISO's issuance of a draft list of recommended Exempt Renewable Technologies and the basis for the recommendation, for stakeholder and Market Monitoring Unit review and comment; (The responsibilities of the Market Monitoring Unit that are addressed in this section of the Services Tariff are also addressed in Section 30.4.6.2.13 of Attachment O to this Services Tariff.)

23.4.5.7.13.2.4 On or before the 60th day subsequent to the Commission issuance of an order accepting ICAP Demand Curves based on the ICAP Demand Curve periodic review, the ISO shall file with the Commission the results of its Exempt

Renewable Technology periodic review and determination pursuant to Section 23.4.5.7.13.2.2. If the ISO's determination of technology types that satisfy the provisions of Section 23.4.5.7.13.2.2 for any Mitigated Capacity Zone is different than the then-current definition of Exempt Renewable Technology, the ISO shall propose in the filing, for Commission review, a revised definition that is in accordance with its periodic determination, to be effective for Class Years with a Class Year Start Date during the Capability Years covered by the ICAP Demand Curve periodic review conducted for the relevant ICAP Demand Curve Reset Filing Year. The ISO's filing shall describe the basis for the ISO's determination.

23.4.5.7.13.3. Revocation

23.4.5.7.13.3.1 A Generator that met the requirements of a Qualified Renewable Exemption Applicant and received a Renewable Exemption for any amount of CRIS MW shall notify the ISO in writing within five (5) business days if (a) at the time it first qualifies as an Installed Capacity Supplier, or at any time thereafter, it is not solely powered by the same technology based on which it was evaluated for a Renewable Exemption, or (b) at the time it first qualifies as an Installed Capacity Supplier it is not solely powered by a technology that is defined as an Intermittent Power Resource or Limited Control Run-of-River Hydro Resource, even if the Generator was determined to be a Qualified Renewable Exemption Applicant because, at the time it was evaluated, the ISO expected the technology would become defined as an Intermittent Power Resource or Limited Control Run-of-River Hydro Resource. A Generator that received a Renewable Exemption and subsequently participates in the ISO-Administered Markets as part of a Co-located Storage Resource shall continue to be deemed to be solely powered by Exempt Renewable Technology. Upon notification, the ISO shall revoke the Renewable Exemption unless the Generator provides documentation with its notice in accordance with the prior sentence that demonstrates, to the ISO's satisfaction, that after the change it will be solely powered by an Exempt Renewable Technology as such term is defined on the date that the Generator first transmits energy using the different technology. The ISO shall provide written notice of its intent to revoke the Generator's Renewable Exemption that specifies its findings that support revocation within 10 business days of its receipt of the notification from the Generator described above. The ISO will provide an opportunity for the Owner and/or Operator of the Generator to schedule a meeting with the ISO within 20 business days from the date of its notice of intent to revoke the Renewable Exemption. The purpose of the meeting will be to allow the Owner/Operator of the Generator to submit additional documentation and other facts that could rebut the findings of the ISO that were identified in its notice of intent to revoke the Renewable Exemption. The ISO shall determine within 10 business days of the meeting with the Owner/Operator of the Generator whether the revocation of the Renewable Exemption shall be finalized and post on its website its determination to revoke the Renewable Exemption. Upon revocation, the ISO shall apply the Mitigation Net CONE Offer Floor (such value calculated by the ISO based on the date that the Generator (or Additional CRIS MW) first offers UCAP, in accordance with Section 23.4.5.7.3.7, and adjusted annually in accordance with Section 23.4.5.7 of the Services Tariff) to all offers of UCAP by the Generator or Additional CRIS MW subsequent to the deadline for Unforced Capacity certification prior to an ICAP Spot Market Auction (such date in accordance with ISO Procedures) next following revocation. Nothing in this paragraph shall relieve a Generator from or alter any obligation it may have under the ISO Tariffs or any other tariff, agreement, or regulation to obtain permissions, authorizations provide notifications, or take any other action in advance of changing the technology which powers it (in whole or in part).

23.4.5.7.13.3.2 The failure to provide the ISO written notice in accordance with Section 23.4.5.7.13.3.1 shall constitute a violation of the Services Tariff. Such violation shall be reported by the ISO to the Market Monitoring Unit and to the Commission's Office of Enforcement (or any successor to its responsibilities).

23.4.5.7.13.3.3 If a Generator has not provided notice in accordance with Section 23.4.5.7.13.3.1 and the ISO determines that the Generator is not solely powered by a technology as described Section 23.4.5.7.13.3.1, the ISO shall notify the Generator that its Renewable Exemption may be revoked in writing. The written notice shall provide to the Owner/Operator of the Generator an opportunity to submit documentation to the ISO and meet with the ISO to rebut the ISO's findings within 30 days from the date of the ISO's written notice. The ISO shall determine within 10 business days of the meeting with the Owner/Operator of the Generator whether the revocation of the Renewable Exemption shall be finalized and post on its website its determination to revoke the Renewable Exemption. In the event of a revocation, the Mitigation Net CONE Offer Floor such value calculated by the ISO based on the date that the Generator or Additional CRIS

MW) first offers UCAP, in accordance with Section 23.4.5.7.3.7, and adjusted annually in accordance with Section 23.4.5.7 of the Services Tariff) shall apply to all offers of UCAP subsequent to the deadline for Unforced Capacity certification prior to an ICAP Spot Market Auction (such date in accordance with ISO Procedures) next following revocation. Prior to the revocation of a Renewable Exemption, the ISO shall provide the Generator an opportunity to respond to the ISO's determination. The ISO cannot revoke the Renewable Exemption until after the 30 days written notice period has expired, unless ordered to do so by the Commission.

23.4.5.7.13.4 Timing of Requests for a Renewable Exemption, Required Submittals, and Determinations

23.4.5.7.13.4.1 Requests for a Renewable Exemption must be received by the ISO no later than the deadline specified in Section 23.4.5.7.13.1. If any Examined Facility or NCZ Examined Project submits both a request for a Renewable Exemption and a Competitive Entry Exemption (*i.e.*, seeking to be considered for both exemptions at the same time,) the ISO shall not consider the request for a Renewable Exemption. The ISO may request additional information and updated information at any time regarding eligibility and continued eligibility. The Renewable Exemption Applicant (if after entry, the Generator) shall timely provide the information.

23.4.5.7.13.4.2 The ISO shall determine whether a Renewable Exemption Applicant is eligible for a Renewable Exemption under Section 23.4.5.7.13.1, and whether it is eligible for an exemption pursuant to Section 23.4.5.7.2(a) and (b) or Section 23.4.5.7.14, prior to the Initial Decision Period for a Class Year Study, Additional SDU Study, or Expedited Deliverability Study. The CRIS MW of Renewable Exemptions awarded in a Class Year Study, Additional SDU Studies and any Expedited Deliverability Studies will be subject to the Renewable Exemption Limit calculated by the ISO for that study in accordance with Section 23.4.5.7.13.5. In order to subject the requested CRIS MW to the Renewable Exemption Limit, the ISO will convert the requested CRIS MW or Additional CRIS MW for each Qualified Renewable Exemption Applicant to its UCAP equivalent MW in accordance with Section 23.4.5.7.13.6 and ISO Procedures. If at the time of the ISO's completion of the Class Year Study, Additional SDU Study or Expedited Deliverability Study, the total amount of these UCAP equivalent MW associated with the CRIS MW requests from Qualified Renewable Exemption Applicants exceeds the applicable Renewable Exemption Limit calculated in accordance with Section 23.4.5.7.13.5, the ISO shall (i) first, exclude UCAP equivalent of the CRIS MW of any Examined Facility or NCZ Examined Project that was determined to be exempt pursuant to Sections 23.4.5.7.2 (a), or (b) or Section 23.4.5.7.14, and (ii) second, issue an initial determination (prior to the Initial Decision Period or at the time of any Subsequent Decision Period) or a final determination (if a member of the completed Class Year Study, Additional SDU Study or Expedited Deliverability Study, or if a transfer of CRIS rights at the same location unless the transferee has notified the ISO, on or before the date the Class Year Study, Additional SDU Study or Expedited Deliverability Study is completed, that it no longer expects to be the recipient of the transferred CRIS) of the CRIS MW that will be exempt from an Offer Floor, equal to the proportion of the UCAP equivalent MW for the requested CRIS MW each Qualified Renewable Exemption Applicant as determined in accordance with Section 23.4.5.7.13.6.

23.4.5.7.13.4.3 Determinations made pursuant to Section 23.4.5.7.13.4.2 shall be provided to the Renewable Exemption Applicants and Qualified Renewable Exemption Applicants (other than NCZ Examined Projects) concurrent with the issuance of determinations in accordance with Section 23.4.5.7.3.3, and for an NCZ Examined Project at the time of the ISO's determination pursuant to Section 23.4.5.7.2.1.

23.4.5.7.13.4.4 The ISO shall post on its website its determination of whether the Renewable Exemption Applicant has been determined to be a Qualified Renewable Exemption Applicant and the quantity of the CRIS MW and UCAP equivalent MW for which the Qualified Renewable Exemption Applicant was determined to be exempt, from an Offer Floor as soon as the determination is final. Concurrent with the ISO's posting, the Market Monitoring Unit shall publish a report on the ISO's determination, as further specified in Section 30.4.6.2.13 of Attachment O to this Services Tariff.

23.4.5.7.13.5 Renewable Exemption Limit for Mitigated Capacity Zones

For Class Year 2019 and subsequent Class Year Studies, Additional SDU Studies, and Expedited Deliverability Studies commencing after July 1, 2020, a Renewable Exemption Limit will be calculated by the ISO as a UCAP MW value for each Mitigated Capacity Zone. The Renewable Exemption Limit will identify the maximum amount of Renewable Exemption MW that can be granted in each Mitigated Capacity Zone to Qualified Renewable Exemption

Applicants that accept their exemption determinations. The Renewable Exemption Limit will be calculated separately for each Mitigated Capacity Zone in UCAP MW, as further specified below, as the greater of (a) the UCAP MW associated with the ISO's calculation of the Minimum Renewable Exemption Limit as described in Section 23.4.5.7.13.5.1 that will lower the market price forecast for the Mitigated Capacity Zone by $0.50/kW-month or (b) the sum of (i) the UCAP MW associated with the change in forecasted peak Load calculated by the ISO in accordance with Section 23.4.5.7.13.5.2, (ii) the UCAP MW value identified by the ISO associated with the Incremental Regulatory Retirements calculated by the ISO in accordance with Section 23.4.5.7.13.5.3, (iii) the URM impact of the Qualified Renewable Exemption Applicants in the Class Year Study, Additional SDU Study, or Expedited Deliverability Study calculated by the ISO in accordance with Section 23.4.5.7.13.5.4, and (iv) the UCAP MW in the Renewable Exemption Bank for each Mitigated Capacity Zone calculated by the ISO in accordance with Section 23.4.5.7.13.5.5. For purposes of the Renewable Exemption Limit calculated for Class Year 2019 the Renewable Exemption Bank for the Mitigated Capacity Zone will be zero.

The ISO will post on its website the assumptions and calculations made for the Renewable Exemption Limit available in each Class Year Study, Additional SDU Study, and Expedited Deliverability Study with its posting of the BSM Forecast inputs in accordance with Section 23.4.5.7.15 of this Services Tariff, subject to any restrictions on the disclosure of Confidential Information or Critical Energy Infrastructure Information.

23.4.5.7.13.5.1 Minimum Renewable Exemption Limit

The Minimum Renewable Exemption Limit is calculated by the ISO in each Class Year Study beginning with Class Year 2019. The Minimum Renewable Exemption Limit equals the equivalent UCAP MW that is forecasted to cause a price decrease to the Installed Capacity Spot Auction Results of $0.50/kW-Month. The Minimum Renewable Exemption Limit calculated in the preceding Class Year Study carries forward to subsequent Additional SDU Studies and Expedited Deliverability Studies that are completed prior to the start of the Initial Decision Period for the following Class Year Study. Between Class Year Studies, the Minimum Renewable Exemption Limit will be reduced if Qualified Renewable Exemption Applicants are awarded Renewable Exemptions when the Minimum Renewable Exemption Limit is in effect as the Renewable Exemption Limit (*i.e.*, is the larger value in the Renewable Exemption Limit formula described above.) The Minimum Renewable Exemption Limit that will be applicable to the following Additional SDU Study or Expedited Deliverability Study is reduced by the UCAP equivalent MW of each Qualified Renewable Exemption Applicant awarded a Renewable Exemption.

23.4.5.7.13.5.2 Change in Forecasted Peak Load

The change in forecasted peak Load used in the Renewable Exemption Limit shall be calculated in each Class Year Study, Additional SDU Study, and Expedited Deliverability Study. For Class Year 2019 the change in forecasted peak Load used in the Renewable Exemption Limit shall be calculated as the UCAP MW change associated with the difference between the 2020 peak Load forecast published in the ISO's 2020 Load and Capacity Report and the forecasted peak Load for the last year of the applicable Mitigation Study Period used to evaluate Examined Facilities in Class Year 2019 pursuant to Section 23.4.5.7.2(b) of this Services Tariff that is identified from the ISO's most recently published Load and Capacity Report. The change in forecasted peak Load used in the Renewable Exemption Limit for all subsequent studies shall be the calculated as the difference between the forecasted peak Load for last year of the applicable Mitigation Study Period used to evaluate Examined Facilities pursuant to Section 23.4.5.7.2(b) of this Services Tariff in the immediately preceding Class Year Study, Additional SDU Study, or Expedited Deliverability Study and the forecasted peak Load that applies to the last year of the Mitigation Study Period used to evaluate Examined Facilities pursuant to Section 23.4.5.7.2(b) of this Services Tariff in the ongoing study that is identified from the ISO's most recently published Load and Capacity Report.

23.4.5.7.13.5.3 UCAP MW of Incremental Regulatory Retirements

Incremental Regulatory Retirements to be used in the calculation of the Renewable Exemption Limit described above shall include the incrementally new MW of Generator Retirements forecasted in accordance with Sections 23.4.5.7.15.6 and 23.4.5.7.15.7 of the Services Tariff that have retired, or are planning to permanently cease operation in order to comply with or in response to new or amended regulations or statutes, or other regulatory or related action, including but not limited to those that impact (i) Generator emissions, (ii) inability to renew or modify the necessary operating permits, (iii) availability of fuel supply, (iv) assessment of property taxes, and (v) compensation or other incentive outside of the ISO markets received by a Generator that is contingent upon its permanently ceasing operation. In order for the ISO to identify UCAP MW of Incremental Regulatory Retirements such regulatory action must be a significant factor in the retirement of the Generator (*i.e.*, a factor that contributes materially to the retirement). When identifying such UCAP MW of Incremental Regulatory Retirements the ISO shall consult with the Market Monitoring Unit when evaluating whether newly enacted or amended regulatory action plays a significant role in the retirement of the Generator. Prior to the ISO making a determination to include or exclude a Generator retirement in this component of the Renewable Exemption Limit calculation, the Market Monitoring Unit shall provide the ISO a written opinion and recommendation. The Market Monitoring Unit shall also include its assessment in its report issued pursuant to Section 23.4.5.7.6.8 of Attachment H to this Services Tariff and as further specified in Section 30.4.6.2.13 of Attachment O to this Services Tariff.

23.4.5.7.13.5.4 URM Impact of Qualified Renewable Exemption Applicants

The ISO shall calculate the URM impact of the CRIS MW requested by the Qualified Renewable Exemption Applicants in each Class Year Study, Additional SDU Study, and Expedited Deliverability Study. A URM impact shall be calculated separately for each Mitigated Capacity Zone. If there are no Qualified Renewable Exemption Applicants participating in the study, the URM impact of Qualified Renewable Exemption Applicants shall be zero—otherwise the ISO shall calculate the incremental URM impact for each Mitigated Capacity Zone associated with the Qualified Renewable Exemption Applicants in the study.

23.4.5.7.13.5.5 Renewable Exemption Bank

The amount of UCAP MW in the Renewable Exemption Bank shall be calculated separately for each Mitigated Capacity Zone as a running total of UCAP MW determined to be available in the calculation of a Renewable Exemption Limit as described above for the most recently completed Class Year Study that was not awarded to a Qualified Renewable Exemption Applicant as part of that Class Year Study or in subsequent Additional SDU Studies and Expedited Deliverability Studies that are completed prior to the start of the Initial Decision Period of the next Class Year Study. The UCAP equivalent MW of CRIS MW that receive exemptions pursuant to Section 23.4.5.7.2(a) shall be deducted from the Renewable Exemption Bank. Renewable Exemptions awarded in a Mitigated Capacity Zone during a Class Year Study, Additional SDU Study or Expedited Deliverability Study pursuant to the Minimum Renewable

Exemption Limit for that Mitigated Capacity Zone shall not be subtracted from the Renewable Exemption Bank for that Mitigated Capacity Zone. The Renewable Exemption Bank will further be modified for each Study such that 1) any UCAP MWs from Incremental Regulatory Retirement previously forecast pursuant to Section 23.4.5.7.13.5.3 which did not remove capacity consistent with the forecast or did not retire would be deducted from the Renewable Exemption Bank and 2) any UCAP MWs previously found exempt under Section 23.4.5.7.13.4.2 or Section 23.4.5.7.2(a) which do not meet the criteria per Section 23.4.5.7.15 to be included into the NYISO forecast shall be added back to the Renewable Exemption Bank.

23.4.5.7.13.5.5.1 Renewable Exemption Bank for the New York City Locality

The Renewable Exemption Bank for the New York City Locality used in the calculation of the Renewable Exemption Limit for the New York City Locality in accordance with Section 23.4.5.7.13.5 will be a rolling calculation of UCAP MW calculated using the sum of (i) the UCAP MW associated with the Change in Forecasted Peak Load calculated by the ISO in accordance with Section 23.4.5.7.13.5.2, (ii) the UCAP MW value of the Incremental Regulatory Retirements calculated by the ISO in accordance with Section 23.4.5.7.13.5.3, (iii) the URM impact of the Qualified Renewable Exemption Applicants calculated by the ISO in accordance with Section 23.4.5.7.13.5.4, and (iv) the UCAP MW in the Renewable Exemption Bank for the New York City Locality that carried forward from the immediately prior Class Year Study, Additional SDU Study, or Expedited Deliverability Study, less (v) the UCAP equivalent MW associated with the exempted CRIS MW received by Qualified Renewable Exemption Applicants pursuant to this Section 23.4.5.7.13 of the Services Tariff in the current study in the New York City Locality. When calculating the initial Renewable Exemption Limit applicable for

Class Year 2019 the ISO will use a Renewable Exemption Bank for the New York City Locality of zero.

23.4.5.7.13.5.5.2 Renewable Exemption Bank for the G-J Locality

The Renewable Exemption Bank for the G-J Locality used in the calculation of the Renewable Exemption Limit for the G-J Locality in accordance with Section 23.4.5.7.13.5 will be a rolling calculation of UCAP MW, calculated using the sum of (i) the UCAP MW associated with the Change in Forecasted Peak Load calculated by the ISO in accordance with Section 23.4.5.7.13.5.2, (ii) the UCAP MW value of the Incremental Regulatory Retirements calculated by the ISO in accordance with Section 23.4.5.7.13.5.3, (iii) the URM impact of the Qualified Renewable Exemption Applicants calculated by the ISO in accordance with Section 23.4.5.7.13.5.4, and (iv) the UCAP MW in the Renewable Exemption Bank for the G-J Locality that carried forward from the immediately prior Class Year Study, Additional SDU Study, or Expedited Deliverability Study, less the sum of (a) the UCAP equivalent MW associated with the exempted CRIS MW received by Qualified Renewable Exemption Applicants pursuant to this Section 23.4.5.7.13 of the Services Tariff in the current study in both the New York City and the G-J Localities and (b) any positive UCAP MW remaining in the Renewable Exemption Bank for the New York City Locality. When calculating the initial Renewable Exemption Limit applicable for Class Year 2019, the ISO will use a Renewable Exemption Bank for the G-J Locality of zero.

23.4.5.7.13.6 Awarding UCAP MW of Renewable Exemptions Pursuant to Renewable Exemption Limit

The ISO shall convert the CRIS MW requested for each Qualified Renewable Exemption Applicant in a Class Year Study, Additional SDU Study or Expedited Deliverability Study to a

UCAP MW equivalent value in accordance with applicable UCAP Deration Factor ("UCDF") and in accordance with ISO Procedures. The UCDF shall be based on the specific type of Exempt Renewable Technology being proposed by the Qualified Renewable Exemption Applicant.

The ISO shall award Renewable Exemptions to Qualified Renewable Exemption Applicants in each Mitigated Capacity Zone up to but not to exceed the UCAP MW value calculated by the ISO in the Class Year Study, Additional SDU Study or Expedited Deliverability Study to be the Renewable Exemption Limit for the Mitigated Capacity Zone as provided in Section 23.4.5.7.13.5 of the Services Tariff. If the UCAP MW equivalent value of the total requested CRIS MW received from Qualified Renewable Exemption Applicants in a given Class Year Study, Additional SDU Study or Expedited Deliverability Study exceeds the UCAP MW Renewable Exemption Limit calculated by the ISO for that Class Year Study, Additional SDU Study or Expedited Deliverability, then the ISO shall award Renewable Exemptions on a pro rata basis using the UCAP MW equivalent value it calculated for the requested CRIS MW of each Qualified Renewable Exemption Applicant that remains in that study.