

# Attachment I

### **30.3 NYISO Market Mitigation And Analysis Department**

#### **30.3.1 Establishment**

The ISO shall establish, and provide appropriate staffing and resources for, its internal Market Mitigation and Analysis Department (“MMA”).

#### **30.3.2 Staffing**

The MMA shall be comprised of full-time employees of the ISO having the experience and qualifications necessary to assist the ISO’s efforts to implement its obligations under its Tariffs and under Attachment O, including providing support to the ISO’s external Market Monitoring Unit where and when needed. In carrying out its responsibilities, the MMA, may retain such consultants and other experts as the ISO deems appropriate to the effective implementation of Attachment O, subject to the management oversight of the Chief Executive Officer (“CEO”) or the CEO’s designee, the Chief Operating Officer (“COO”). Such consultants or other experts shall comply with applicable ISO policies on conflicts of interest or other standards of conduct.

#### **30.3.3 Duties of MMA**

The MMA shall not be responsible for carrying out any of the Core Functions. Rather, the MMA is responsible for working collaboratively with the Market Monitoring Unit and other ISO departments to assist the ISO’s efforts to carry out its Tariff responsibilities, including the ISO’s obligation to provide adequate data and support to its Market Monitoring Unit. The MMA’s duties shall include: (1) administering mitigation in accordance with the ISO’s Tariffs, which will include performing daily monitoring of the ISO’s markets to identify potential violations of the Market Mitigation Measures, (2) assisting the ISO’s efforts to accurately and

effectively implement the requirements of its Tariffs and its intended market design, (3) responding to information and data requests the ISO receives from the FERC's Office of Enforcement staff and from the staff of the New York Department of Public Service, consistent with the provisions of Attachment O, the ISO's Code of Conduct, and any other provisions of the ISO's Tariffs that address the protection of Protected Information, (4) providing data and other assistance to support the Market Monitoring Unit, (5) working collaboratively with other ISO departments to analyze market outcomes, and (6) bringing to the Market Monitoring Unit's attention market-related concerns (including, but not limited to, possible Market Violations) it identifies while carrying out its responsibilities.

#### **30.3.4 Accountability**

The MMA shall act at the direction of the CEO or the CEO's designee, the COO, who shall be accountable for the ISO's implementation of Attachment O.

The CEO or the CEO's designee, the COO, shall ensure that the MMA has adequate employees, funding and other resources, access to required information, and the cooperation of other ISO staff, as necessary for it to perform its duties under Attachment O and under the ISO's Market Mitigation Measures.

## **30.5 Monitoring Implementation And Responsibilities**

### **30.5.1 Monitoring Methods, Procedures and Resources**

#### **30.5.1.1 Adequacy**

The Market Monitoring Unit and MMA shall develop and implement methods, procedures, staffing and other resources for achieving the purposes and objectives of Attachment O. Such methods, procedures, staffing and other resources shall be appropriate to realizing the purposes and objectives and effective implementation of Attachment O, and shall be subject to review, modification and approval by the ISO's CEO or the CEO's designee, the COO, where the measures involve the MMA, or by the ISO's Board, where the measures involve the Market Monitoring Unit.

#### **30.5.1.2 Conditions, Functions or Actions Monitored**

The monitoring methods, procedures, staffing and other resources shall ensure, to the extent practicable, that the Market Monitoring Unit and the ISO (consistent with the division of duties specified above) are able to achieve the purposes and objectives of Attachment O through review and analysis of conditions, functions or actions affecting the competitiveness, economic efficiency and proper operation of any of the New York Electric Markets, including but not limited to the following, as and to the extent each may be deemed relevant to the purposes and objectives of Attachment O by the Market Monitoring Unit or by the ISO:

- 30.5.1.2.1 The nature, extent and causes of any undue concentration in the ownership or control of generation or other facilities in or affecting any of the New York Electric Markets;

- 30.5.1.2.2 Any evidence of or other information relating to collusive or other anticompetitive or inefficient behavior in or affecting any of the New York Electric Markets;
- 30.5.1.2.3 The bids or offers submitted to each of the New York Electric Markets administered by the ISO, the evaluation of those bids or offers, and as appropriate the relationship of those bids or offers to marginal or other costs;
- 30.5.1.2.4 Schedules submitted to the ISO for bilateral or other transactions;
- 30.5.1.2.5 Unit commitment and dispatch in the New York Control Area;
- 30.5.1.2.6 The determination and level of LBMPs or other prices in the New York Electric Markets;
- 30.5.1.2.7 The provision of transmission services in the New York Control Area, including but not limited to auctions and other markets for TCCs;
- 30.5.1.2.8 The nature and extent, causes of, and costs of and charges for, transmission congestion on the New York State Transmission System or, to the extent practicable, transmission congestion on any other system that affects any of the New York Electric Markets;
- 30.5.1.2.9 Competitive or other market impacts of tariffs and agreements, or other rules, standards or procedures, governing or affecting any of the New York Electric Markets;
- 30.5.1.2.10 The need for and the implementation and efficacy of market power mitigation or other remedial measures for competitive or other market defects, including mitigation measures implemented in accordance with the provisions of

Attachment O or other mitigation measures that the FERC has authorized or directed the ISO to implement;

30.5.1.2.11 The need for and the implementation and efficacy of appropriate sanctions or other remedial measures for violations of or other failures to comply with any tariff or services agreement, or any rule, standard or procedure, or any market power mitigation or other remedial measure, to the extent such violation or failure to comply impairs or threatens to impair the competitiveness or economic efficiency of any of the New York Electric Markets;

30.5.1.2.12 To the extent practicable, conditions or events outside the New York Control Area affecting the supply and demand for, and the quantity and price of, products or services sold or to be sold in any of the New York Electric Markets; and

30.5.1.2.13 Such other conditions, functions or actions as may be approved by the CEO or the CEO's designee, the COO, or by the Board (as appropriate).

### **30.5.3 Legal Advice**

The Market Monitoring Unit and MMA may consult legal counsel for the ISO for advice on antitrust, regulatory or other legal issues pertinent to Attachment O.

## **30.7 Performance Indices and screens**

### **30.7.1 Development of Indices and Screens**

The MMA or the Market Monitoring Unit, with due consideration of the proposals and comments of Market Parties and other interested parties submitted as specified below, with the approval of the CEO or the CEO's designee, the COO, and the Market Monitoring Unit (for indices and screens developed by the MMA), or subject to review and comment by the ISO and review and approval by the Board (for indices and screens developed by the Market Monitoring Unit), shall develop, adopt and refine on the basis of experience with their application, such indices or other screens for reviewing the data or other information collected in connection with the implementation of Attachment O, or the ISO's Market Mitigation Measures, as the MMA or Market Monitoring Unit deem appropriate. All proposed or adopted indices and screens shall be described in the ISO Procedures and shall be made available through the ISO web site or comparable means, provided and to the extent that any such description does not provide details of the standards, criteria or thresholds for evaluating such data or information that would facilitate conduct inconsistent with the competitiveness or economic efficiency of any of the New York Electric Markets.

### **30.7.2 Consultation with Market Parties**

In connection with the development of indices and screens as specified above, Market Parties or other interested parties may submit proposed indices or screens for review of the data or other information collected in connection with the implementation of Attachment O, along with any justification for the adoption thereof, to the ISO or Market Monitoring Unit for consideration and adoption if and to the extent appropriate.

### **30.7.3 Use of Indices and Screens**

As much as practicable, the MMA and the Market Monitoring Unit shall review data or other information collected in connection with implementation of Attachment O and the Market Mitigation Measures in accordance with the indices or screens adopted as specified above; provided, however, that nothing herein shall be deemed to prevent the ISO or the Market Monitoring Unit from conducting such further or different review or evaluation of such data or information as appropriate for the effective implementation of Attachment O.



## **30.8 Market Power Mitigation Measures**

### **30.8.1 Review and Regulatory Approval**

A mitigation measure developed as specified below and recommended by the Market Monitoring Unit and the CEO or the CEO's designee, the COO, shall, with the review and approval of the Board, and in accordance with the ISO procedures applicable to tariff filings, be submitted by the ISO to the FERC for approval as an addendum to Attachment O or to the Market Mitigation Measures, and shall be provided as an informational submission to the other Interested Government Agencies. A market power mitigation measure shall become effective and available for use by the ISO as soon as practicable upon FERC approval.

### **30.8.2 Development of Mitigation Measures**

The Market Monitoring Unit, with the assistance of the MMA and the approval of the Reliability and Markets Committee of the Board (or any successor committee thereto), shall propose, and refine or revise as may be appropriate in consideration of the comments of Market Parties and other interested parties and market experience, measures for the mitigation of market power in any of the New York Energy Markets administered by the ISO, and standards for determining the actual or potential existence of market power requiring the application of such measures. A description of all effective and proposed mitigation measures and of the standards for the application of each such measure shall be made available through the ISO web site or comparable means. Except for mitigation measures that the ISO is required to file in accordance with Section 23.3.2.3 of the Market Mitigation Measures, prior to the submission of any market power mitigation measure to the FERC for approval as specified above, the ISO shall notify the Market Parties and other interested parties and provide an opportunity for comment on the

proposed measure, and shall submit such measure for review and vote by the Management Committee in accordance with the procedures applicable to tariff filings.

### **30.8.3 Implementation of Mitigation Measures**

The ISO, as directed and authorized by the CEO or the CEO's designee, the COO, shall implement the mitigation measures developed as specified above and such other mitigation measures as may be authorized or required by the FERC as a result of filings or other submissions by Market Parties or other interested parties or otherwise. The Market Monitoring Unit may participate in the implementation of mitigation measures to the extent permitted in Section 30.4.4 of Attachment O.

## **30.10 Reports**

### **30.10.1 Annual Reports**

The Market Monitoring Unit shall prepare and submit to the Board an annual report on the competitive structure of, market trends in, and performance of, other competitive conditions in or affecting, and the economic efficiency of, the New York Electric Markets. Such report shall include recommendations for the improvement of the New York Electric Markets or of the monitoring, reporting and other functions undertaken pursuant to Attachment O and the Market Mitigation Measures. A copy of the report shall be forwarded by the Board to each of the Interested Government Agencies, with such comments or other remarks as the Board shall deem appropriate. Copies of the report shall be made publicly available by the Board by posting them on the ISO's web site, subject to redaction or other measures necessary for the protection of Protected Information.

### **30.10.2 Quarterly Reports**

In addition to the annual report, the Market Monitoring Unit shall issue three quarterly reports that are less extensive than the annual report. Each quarterly report shall provide timely updates to the annual report, emphasizing issues of concern to the Market Monitoring Unit. Quarterly reports shall be distributed in the same manner as the annual report.

### **30.10.3 Report on Virtual Bid and Offer Market Design and Rules**

The Market Monitoring Unit shall monitor and assess the impact of virtual bids and offers on the competitive structure and performance of, and the economic efficiency of, the ISO Administered Markets. Such monitoring and assessment shall include the effects, if any, of virtual bids and offers on any automated mitigation procedures, or any mitigation measures

specified in Section 23.5 of the Market Mitigation Measures. An assessment of the market impacts of virtual bids and offers shall be included in the annual report required by Section 30.10.1, above, and in a quarterly report when the Market Monitoring Unit deems appropriate.

#### **30.10.4 Conference Calls**

The Market Monitoring Unit shall participate in regular conference calls for the presentation of market data and analyses of the type regularly gathered and prepared by the Market Monitoring Unit under Attachment O, subject to limitations on dissemination of Protected Information. Market Participants, staff of the Commission and the New York Public Service Commission, and representatives of the ISO may attend such conference calls.

#### **30.10.5 Other Reports or Filings**

The Market Monitoring Unit, with the assistance of the MMA, where appropriate, shall prepare such other periodic or other reports on any matters within their purview as the Market Monitoring Unit determines are necessary, or as may be requested by the Board, the CEO or the CEO's designee, the COO, or any of the Interested Government Agencies. Unless the Board or the Interested Government Agency requesting such report specifies to the contrary, copies of such reports shall be made publicly available by the Board, subject to redaction or other measures necessary for the protection of Protected Information. All reasonable fees and expenses for the preparation of reports or other filings relating to the New York Electric Markets that are requested by an Interested Government Agency from the Market Monitoring Unit, or that are requested by an Interested Government Agency from a former Market Monitoring Unit with respect to conditions or conduct occurring in or relating to the period during which the person, persons or entity receiving the request served as the Market Monitoring Unit, shall be borne by the ISO.