

### 35.12 M2M Coordination Process

The fundamental philosophy of the M2M transmission congestion coordination process that is set forth in the attached Market-to-Market Coordination Schedule is to allow any transmission constraints that are significantly impacted by generation dispatch changes in both the NYISO and PJM markets or by the operation of the Ramapo PARs to be jointly managed in the real-time security-constrained economic dispatch models of both Parties. This joint real-time management of transmission constraints near the market borders will provide a more efficient and lower cost transmission congestion management solution and coordinated pricing at the market boundaries.

Under normal system operating conditions, the Parties ~~shall~~ utilize the M2M coordination process on ~~all~~ defined M2M Flowgates that experience congestion. The Party that is responsible for monitoring a M2M Flowgate will initiate and terminate the redispatch component of the M2M coordination process. The Party that is responsible for monitoring a M2M Flowgate is expected to bind that Flowgate when it becomes congested, and to initiate market-to-market redispatch to utilize the more cost effective generation between the two markets to manage the congestion in accordance with Section 7.1.2 of the attached Market-to-Market Coordination Schedule. Ramapo PAR coordination need not be formally invoked by either Party. It is ordinarily in effect.

The Market-to-Market coordination process includes a settlement process that applies when M2M coordination is occurring.