

For purposes of §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.

“**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, “**Mitigation Net CONE**” shall mean the capacity price on the currently effective In-City Demand Curve corresponding to the average amount of excess capacity above the In-City Installed Capacity requirement, expressed as a percentage of that requirement, that formed the basis for the Demand Curve approved by the Commission.

For purposes of §4.5 of this Attachment H, “**Net CONE**” shall mean the localized levelized embedded costs of a peaking unit in the New York City Locality, net of the likely projected annual Energy and Ancillary Services revenues of such unit, as determined in connection with establishing the Demand Curve for the New York City Locality pursuant to §5.14.1(b) of the Services Tariff, or as escalated as specified in §4.5(g) of Attachment H.

For purposes of §4.5 of this Attachment H, “**Offer Floor**” for an In-City Installed Capacity Supplier that is not a Special Case Resource shall mean the lesser of a numerical value equal to 75% of the Mitigation Net CONE translated into a seasonally adjusted monthly UCAP value, or a numerical value determined as specified in §4.5(g)(iii), translated into a seasonally adjusted monthly UCAP value using an appropriate class outage rate, or for an In-City Installed Capacity Supplier that is a Special Case Resource shall mean a numerical value determined as specified in §4.5(g)(v).

Issued by: Stephen G. Whitley, President  
Issued on: August 12, 2010

Effective: November 1, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

d) Mitigated UCAP shall be offered in each ICAP Spot Market Auction in accordance with §5.14.1(a) of the ISO Services Tariff and applicable ISO procedures, unless it has been exported to an External Control Area or sold to meet Installed Capacity requirements outside the New York City Locality in a transaction that does not constitute physical withholding under the standards specified below.

(i) An export to an External Control Area or sale to meet an Installed Capacity requirement outside the New York City Locality of Mitigated UCAP (either of the foregoing being referred to as “External Sale UCAP”) may be subject to audit and review by the ISO to assess whether such action constituted physical withholding of UCAP from the New York City Locality. External Sale UCAP shall be deemed to have been physically withheld on the basis of a comparison of the net revenues from UCAP sales that would have been earned by the sale in the New York City Locality of External Sale UCAP. The comparison shall be made for the period for which Installed Capacity is committed (the “Comparison Period”) in each of the shortest term organized capacity markets (the “External Reconfiguration Markets”) for the area and during the period in which the Mitigated UCAP was exported or sold. External Sale ICAP shall be deemed to have been withheld from the New York City Locality if: (1) the Responsible Market Party for the External Sale UCAP could have made all or a portion of the External Sale UCAP available to be offered in the New York City Locality by buying out of its external capacity obligation through participation in an External Reconfiguration Market; and (2) the net revenues over the Comparison Period from sale in the New York City Locality of the External Sale UCAP that could have been made available for sale in that Locality would have been greater by 15% or more, provided that the net revenues were at least \$2.00/kilowatt-month more than the net UCAP revenues from that portion of the External Sale UCAP over the Comparison Period.

(ii) If Mitigated UCAP is not offered or sold as specified above, the Responsible Market Party for such Installed Capacity Supplier shall pay the ISO an amount equal to the product of (A) 1.5 times the difference between the Market-Clearing Price for the New York City Locality in the ICAP Spot Market Auction with and without the inclusion of the Mitigated UCAP and (B) the total of (1) the amount of Mitigated UCAP not offered or sold as specified above, and (2) all other megawatts of Unforced Capacity in the New York City Locality under common Control with such Mitigated UCAP. If the failure to offer was associated with the same period as the sale of External Sale UCAP, and the failure caused or contributed to an increase in UCAP prices in the New York City Locality of 15 percent or more, provided such increase is at least \$2.00/kilowatt-month, the Responsible Market Party for such Installed Capacity Supplier shall be required to pay to the ISO an amount equal to 1.5 times the lesser of (A) the difference between the average Market-Clearing Price for the New York City Locality in the ICAP Spot

Market Auctions for the relevant Comparison Period with and without the inclusion of the External Sale UCAP in those auctions, or (B) the difference between such average price and the clearing price in the External Reconfiguration Market for the relevant Comparison Period, times the total of (1) the amount of Mitigated UCAP not offered or sold as specified above, and (2) all other megawatts of Unforced Capacity in the New York City Locality under common Control with such Mitigated UCAP. The ISO will distribute any amounts recovered in accordance with the foregoing provisions among the LSEs serving Loads in regions affected by the withholding in accordance with ISO Procedures.

(iii) Reasonably in advance of the deadline for submitting offers in an External Reconfiguration Market the Responsible Market Party for External Sale UCAP may request the ISO to provide a projection of ICAP Spot Auction clearing prices for the New York City Locality over the Comparison Period for the External Reconfiguration Market. Such requests, and the ISO's response, shall be made in accordance with the deadlines specified in ISO Procedures. Prior to completing its projection of ICAP Spot Auction clearing prices for the New York City Locality over the Comparison Period for the External Reconfiguration Market, the ISO shall consult with the Market Monitoring Unit regarding such price projection. The Responsible Market Party shall be exempt from a physical withholding penalty as specified in Section 4.5(d)(ii), below, if at the time of the deadline for submitting offers in an External Reconfiguration Market its offers, if accepted, would reasonably be expected to produce net revenues from External UCAP Sales that would exceed the net revenues that would have been realized from sale of the External UCAP Sales capacity in the New York City Locality at the ICAP Spot Auction prices projected by the ISO. The responsibilities of the Market Monitoring Unit that are addressed in this section of the Mitigation Measures are also addressed in Section 4.6.2.7 of the Plan.

e) Control of Unforced Capacity shall be rebuttably presumed from (i) ownership of an Installed Capacity Supplier, or (ii) status as the Responsible Market Party for an Installed Capacity Supplier, but may also be determined on the basis of other evidence. The presumption of Control from ownership can be rebutted by either: (1) the sale of Unforced Capacity from the Installed Capacity Supplier in a Capability Period Auction or a Monthly Auction, or (2) demonstrating to the reasonable satisfaction of the ISO

physically in order to affect prices. The ISO shall provide the preliminary results of its audit or review to the Market Monitoring Unit for its review and comment. If the ISO determines that the proposal or decision constitutes physical withholding, and would increase Market-Clearing Prices in one or more ICAP Spot Market Auctions for the New York City Locality by five percent or more, provided such increase is at least \$.50/kilowatt-month, for each such violation of the above requirements the Market Participant shall be assessed an amount equal to the product of (A) 1.5 times the difference between the Market-Clearing Price for the New York City Locality in the ICAP Spot Market Auctions with and without the inclusion of the withheld UCAP in those auctions and (B) the total of (1) the number of megawatts withheld in each month and (2) all other megawatts of Installed Capacity in the New York City Locality under common Control with such withheld megawatts. The requirement to pay such amounts shall continue until the Market Party demonstrates that the removal from service, retirement or de-rate is justified by economic considerations other than the effect of such action on Market-Clearing Prices in the ICAP Spot Market Auctions for the New York City Locality. The ISO will distribute any amount recovered in accordance with the foregoing provisions among the LSEs serving Loads in regions affected by the withholding in accordance with ISO Procedures. The responsibilities of the Market Monitoring Unit that are addressed in this section of the Mitigation Measures are also addressed in Section 4.6.2.9 of the Plan.

g) Unless exempt as specified below, offers to supply Unforced Capacity in an ICAP Spot Market Auction from an In-City Installed Capacity Supplier shall equal or exceed the applicable Offer Floor. The Offer Floors shall apply to offers for Unforced Capacity from the Installed Capacity Supplier, if it is not a Special Case Resource, for each of the six Capability Periods starting with the Capability Period for which the Installed Capacity Supplier first offers to supply UCAP ("Initial Capability Period"), or the period of years if longer determined by (1) the initial DMNC value of the Installed Capacity Supplier plus the amount of Surplus Capacity at the time the Installed Capacity Supplier first offers to supply UCAP, divided by (2) the average annual growth in MW of the Locational Minimum Installed Capacity Requirement for the New York City Locality over the six Capability Periods preceding the Initial Capability Period. If the foregoing calculation extends mitigation to part of a Capability Period, the entire Capability Period shall be subject an Offer Floor. The initial DMNC value of the Installed Capacity Supplier shall be determined as specified in the ISO's tariffs and ISO Procedures.

i) Unforced Capacity from an Installed Capacity Supplier that is subject to an Offer Floor may not be used to satisfy any LSE Unforced Capacity Obligation for In-City Load unless such Unforced Capacity is obtained through participation in an ICAP Spot Market Auction.

Issued by: Stephen G. Whitley, President  
Issued on: August 12, 2010

Effective: November 1, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

ii) An Installed Capacity Supplier shall be exempt from an Offer Floor if: (a) any ICAP Spot Market Auction price for the two Capability Periods beginning with the first Capability Period for any part of which the Installed Capacity Supplier is reasonably anticipated to offer to supply UCAP (the "Starting Capability Period") is projected by the ISO to be higher, with the inclusion of the Installed Capacity Supplier, than the highest Offer Floor based on the Mitigation Net CONE that would be applicable to such supplier in such Capability Periods, or (b) the average of the ICAP Spot Market Auction prices in the six Capability Periods beginning with the Starting Capability Period is projected by the ISO to be higher, with the inclusion of the Installed Capacity Supplier, than the reasonably anticipated Unit Net CONE of the Installed Capacity Supplier. The Developer or Interconnection Customer may request the ISO to make such determinations upon execution of all necessary Interconnection Facilities Study Agreements for the Installed Capacity Supplier. If relating to the exemption specified in (ii)(b) above, such a request shall include all data available to the requesting entity relating to the reasonably anticipated Unit Net CONE. The ISO shall provide the requesting entity with the relevant price projections, the Offer Floors specified in (ii)(a) above, and the ISO's determination, if applicable, of the reasonably anticipated Unit Net CONE less the costs to be determined in the Project Cost Allocation or Revised Project Cost Allocation, as applicable, not later than the commencement of the Initial Decision Period for the Interconnection Facilities Study to which the Interconnection Facilities Study Agreement applies, provided that all information reasonably necessary to determine the Installed Capacity Supplier's Unit Net CONE has been delivered to the ISO not later than 60 days prior to the commencement of the Initial Decision Period. When evaluating a request by a Developer or Interconnection Customer pursuant to this Section 4.5(g), the ISO shall seek comment from the Market Monitoring Unit on matters relating to the determination of price projections and cost calculations. The ISO shall provide revised price projections to a requesting entity proceeding to a Subsequent Decision Period not later than the ISO's issuance of a Revised Project Cost Allocation. The ISO shall inform the requesting entity whether the exemption specified in (b) above is applicable as soon as practicable after completion of the relevant Project Cost Allocation or Revised Project Cost Allocation, in accordance with methods and procedures specified in ISO Procedures. The responsibilities of the Market Monitoring Unit that are addressed in this section of the Mitigation Measures are also addressed in Section 4.6.2.10 of the Plan.

iii) If an Installed Capacity Supplier demonstrates to the reasonable satisfaction of the ISO that its Unit Net CONE is less than any Offer Floor that would otherwise be applicable to the Installed Capacity Supplier, then its Offer Floor shall be reduced to a numerical value equal to its Unit Net CONE.

Issued by: Stephen G. Whitley, President  
Issued on: August 12, 2010

Effective: November 1, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

iv) Mitigation Net CONE for the first two years after the last year covered by the most recent Demand Curves approved by the Commission shall be increased by the escalation factor approved by the Commission for such Demand Curves.

v) An In-City Installed Capacity Supplier that is a Special Case Resource shall be subject to an Offer Floor beginning with the month of its initial offer to supply Installed Capacity, and until its offers of Installed Capacity have been accepted in the ICAP Spot Market Auction at a price at or above its Offer Floor for a total of twelve, not necessarily consecutive, months. Special Case Resources shall be exempt from the Offer Floor if the ISO projects that the ICAP Spot Market Auction price will exceed the Special Case Resource's Offer Floor for the first twelve months that the Special Case Resource reasonably anticipated to offer to supply UCAP. The Offer Floor for a Special Case Resource shall be equal to the minimum monthly payment for providing Installed Capacity payable by its Responsible Interface Party, plus the monthly value of any payments or other benefits the Special Case Resource receives from a third party for providing Installed Capacity, or that is received by the Responsible Interface Party for the provision of Installed Capacity by the Special Case Resource. The Offer Floor calculation shall include any payment or the value of other benefits that are awarded for offering or supplying In-City Capacity, except for payments or the value of other benefits provided under programs administered or approved by New York State or a government instrumentality of New York State. Offers by a Responsible Interface Party at a PTID shall be not lower than the highest Offer Floor applicable to a Special Case Resource providing Installed Capacity at that PTID. Such offers may comprise a set of points for which prices may vary with the quantity offered. If this set includes megawatts from a Special Case Resource(s) with an Offer Floor, then at least the quantity of megawatts in the offer associated with each Special Case Resource must be offered at or above the Special Case Resource's Offer Floor. Offers by a Responsible Interface Party shall be subject to audit to determine whether they conformed to the foregoing Offer Floor requirements. If a Responsible Interface Party together with its Affiliated Entities submits one or more offers below the applicable Offer Floor, and such offer or offers cause or contribute to a decrease in UCAP prices in the New York City Locality of 5 percent or more, provided such

Issued by: Stephen G. Whitley, President  
Issued on: August 12, 2010

Effective: November 1, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

decrease is at least \$.50/kilowatt-month, the Responsible Interface Party shall be required to pay to the ISO an amount equal to 1.5 times the difference between the Market-Clearing Price for the New York City Locality in the ICAP Spot Auction for which the offers below the Offer Floor were submitted with and without such offers being set to the Offer Floor, times the total amount of UCAP sold by the Responsible Interface Party and its Affiliated Entities in such ICAP Spot Auction. If an offer is submitted below the applicable Offer Floor, the ISO will notify the Responsible Market Party and the notification will identify the offer, the Special Case Resource, the price impact, and the penalty amount. The ISO will provide the notice reasonably in advance of imposing such penalty. The ISO shall distribute any amounts recovered in accordance with the foregoing provisions among the entities, other than the entity subject to the foregoing payment requirement, supplying Installed Capacity in regions affected by one or more offers below an applicable Offer Floor in accordance with ISO Procedures.

Issued by: Stephen G. Whitley, President  
Issued on: August 12, 2010

Effective: November 1, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

#### **4.7 Duration of Mitigation Measures**

Except as specified in Section 23.4.5 of this Attachment H, any mitigation measure imposed as specified above shall expire not later than six months after the occurrence of the conduct giving rise to the measure, or at such earlier time as may be specified by the ISO.

### **5. OTHER MITIGATION MEASURES**

#### **5.1 Facilitation of Real-Time Mitigation in Constrained Areas**

To facilitate the application of the Real-Time mitigation measures specified in this Attachment H for Constrained Areas, all Generators located in a Constrained Area that are capable of doing so shall respond to RTD Base Point Signals, unless such a Generator is subject to contractual obligations in existence prior to June 1, 2002 that would preclude such operation.

#### **5.2 Market Power Mitigation Measures Applicable to In-City Unit Commitments for Local Reliability**

Issued by: Stephen G. Whitley, President  
Issued on: August 12, 2010

Effective: November 1, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

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“**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, “**Mitigation Net CONE**” shall mean the capacity price on the currently effective In-City Demand Curve corresponding to the average amount of excess capacity above the In-City Installed Capacity requirement, expressed as a percentage of that requirement, that formed the basis for the Demand Curve approved by the Commission.

For purposes of §4.5 of this Attachment H, “**Net CONE**” shall mean the localized levelized embedded costs of a peaking unit in the New York City Locality, net of the likely projected annual Energy and Ancillary Services revenues of such unit, as determined in connection with establishing the Demand Curve for the New York City Locality pursuant to §5.14.1(b) of the Services Tariff, or as escalated as specified in §4.5(g) of Attachment H.

For purposes of §4.5 of this Attachment H, “**Offer Floor**” for an In-City Installed Capacity Supplier that is not a Special Case Resource shall mean the lesser of a numerical value equal to 75% of the Mitigation Net CONE translated into a seasonally adjusted monthly UCAP value, or a numerical value determined as specified in §4.5(g)(iii), translated into a seasonally adjusted monthly UCAP value using an appropriate class outage rate, or for an In-City Installed Capacity Supplier that is a Special Case Resource shall mean a numerical value determined as specified in §4.5(g)(v).

Issued by: Stephen G. Whitley, President  
Issued on: ~~June 10, 2009~~ August 12, 2010

Effective: ~~January 1, 2010~~ November 1, 2008

Filed to comply with Order 719 of the Federal Energy Regulatory Commission, Docket Nos. RM07-19-000, and AD07-7-000, issued October 17, 2008, 125 FERC ¶ 61,071 (2008). Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

d) Mitigated UCAP shall be offered in each ICAP Spot Market Auction in accordance with §5.14.1(a) of the ISO Services Tariff and applicable ISO procedures, unless it has been exported to an External Control Area or sold to meet Installed Capacity requirements outside the New York City Locality in a transaction that does not constitute physical withholding under the standards specified below.

(i) An export to an External Control Area or sale to meet an Installed Capacity requirement outside the New York City Locality of Mitigated UCAP (either of the foregoing being referred to as “External Sale UCAP”) may be subject to audit and review by the ISO to assess whether such action constituted physical withholding of UCAP from the New York City Locality. External Sale UCAP shall be deemed to have been physically withheld on the basis of a comparison of the net revenues from UCAP sales that would have been earned by the sale in the New York City Locality of External Sale UCAP. The comparison shall be made for the period for which Installed Capacity is committed (the “Comparison Period”) in each of the shortest term organized capacity markets (the “External Reconfiguration Markets”) for the area and during the period in which the Mitigated UCAP was exported or sold. External Sale ICAP shall be deemed to have been withheld from the New York City Locality if: (1) the Responsible Market Party for the External Sale UCAP could have made all or a portion of the External Sale UCAP available to be offered in the New York City Locality by buying out of its external capacity obligation through participation in an External Reconfiguration Market; and (2) the net revenues over the Comparison Period from sale in the New York City Locality of the External Sale UCAP that could have been made available for sale in that Locality would have been greater by 15% or more, provided that the net revenues were at least \$2.00/kilowatt-month more than the net UCAP revenues from that portion of the External Sale UCAP over the Comparison Period.

(ii) If Mitigated UCAP is not offered or sold as specified above, the Responsible Market Party for such Installed Capacity Supplier shall pay the ISO an amount equal to the product of (A) 1.5 times the difference between the Market-Clearing Price for the New York City Locality in the ICAP Spot Market Auction with and without the inclusion of the Mitigated UCAP and (B) the total of (1) the amount of Mitigated UCAP not offered or sold as specified above, and (2) all other megawatts of Unforced Capacity in the New York City Locality under common Control with such Mitigated UCAP. ~~and if~~ the failure to offer was associated with the same period as the sale of External Sale UCAP, and the failure causes~~d~~ or contributes~~d~~ to an increase in UCAP prices in the New York City Locality of 15 percent or more, provided such increase is at least \$2.00/kilowatt-month, the Responsible Market Party for such Installed Capacity Supplier shall be required to pay to the ISO an amount equal to 1.5 times the lesser of (A) the difference between the average Market-Clearing Price for the New York City Locality in the ICAP Spot

Market Auctions for the relevant Comparison Period with and without the inclusion of the ~~Export~~External Sale UCAP in those auctions, or (B) the difference between such average price and the clearing price in the External Reconfiguration Market for the relevant Comparison Period, times the total of (1) the amount of Mitigated UCAP not offered or sold as specified above, and (2) all other megawatts of Unforced Capacity in the New York City Locality under common Control with such Mitigated UCAP. The ISO will distribute any amounts recovered in accordance with the foregoing provisions among the LSEs serving Loads in regions affected by the withholding in accordance with ISO Procedures.

(iii) Reasonably in advance of the deadline for submitting offers in an External Reconfiguration Market ~~and in accordance with the deadlines specified in ISO Procedures,~~ the Responsible Market Party for External Sale UCAP may request the ISO to provide a projection of ICAP Spot Auction clearing prices for the New York City Locality over the Comparison Period for the External Reconfiguration Market. Such requests, and the ISO's response, shall be made in accordance with the deadlines specified in ISO Procedures. Prior to completing its projection of ICAP Spot Auction clearing prices for the New York City Locality over the Comparison Period for the External Reconfiguration Market, the ISO shall consult with the Market Monitoring Unit regarding such price projection. The Responsible Market Party shall be exempt from a physical withholding penalty as specified in Section 4.5(d)(ii), below, if at the time of the deadline for submitting offers in an External Reconfiguration Market its offers, if accepted, would reasonably be expected to produce net revenues from External UCAP Sales that would exceed the net revenues that would have been realized from sale of the External UCAP Sales capacity in the New York City Locality at the ICAP Spot Auction prices projected by the ISO. The responsibilities of the Market Monitoring Unit that are addressed in this section of the Mitigation Measures are also addressed in Section 4.6.2.7 of the Plan.

e) Control of Unforced Capacity shall be rebuttably presumed from (i) ownership of an Installed Capacity Supplier, or (ii) status as the Responsible Market Party for an Installed Capacity Supplier, but may also be determined on the basis of other evidence. The presumption of Control from ownership can be rebutted by either: (1) the sale of Unforced Capacity from the Installed Capacity Supplier in a Capability Period Auction or a Monthly Auction, or (2) demonstrating to the reasonable satisfaction of the ISO

Issued by: Stephen G. Whitley, President

Effective: ~~January 1, 2010~~November 1, 2008

Issued on: ~~May 15, 2009~~August 12, 2010

Filed to comply with Order No. 719 of the Federal Energy Regulatory Commission, Docket Nos. RM07-19-000 and AD07-7-000, issued October 17, 2008, 125 FERC ¶ 61,071 (2008) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

physically in order to affect prices. The ISO shall provide the preliminary results of its audit or review to the Market Monitoring Unit for its review and comment. If the ISO determines that the proposal or decision constitutes physical withholding, and would increase Market-Clearing Prices in one or more ICAP Spot Market Auctions for the New York City Locality by five percent or more, provided such increase is at least \$.50/kilowatt-month, for each such violation of the above requirements the Market Participant shall be assessed an amount ~~up equal~~ to the product of (A) 1.5 times the difference between the mMarket-eClearing pPrice for the New York City Locality in the ICAP Spot Market Auctions for each month during which Installed Capacity was withheld, with and without the inclusion of the withheld UCAP in those auctions and (B) times the total of (1) the number of megawatts withheld in each month and (2) all other megawatts of Installed Capacity in the New York City Locality under common Control with such withheld megawatts. The requirement to pay such amounts shall continue until the Market Party demonstrates that the removal from service, retirement or de-rate is justified by economic considerations other than the effect of such action on Market-Clearing Prices in the ICAP Spot Market Auctions for the New York City Locality. The ISO will distribute any amount recovered in accordance with the foregoing provisions among the LSEs serving Loads in regions affected by the withholding in accordance with ISO Procedures. The responsibilities of the Market Monitoring Unit that are addressed in this section of the Mitigation Measures are also addressed in Section 4.6.2.9 of the Plan.

g) Unless exempt as specified below, offers to supply Unforced Capacity in an ICAP Spot Market Auction from an In-City Installed Capacity Supplier shall equal or exceed the applicable Offer Floor. The Offer Floors shall apply to offers for Unforced Capacity from the Installed Capacity Supplier, if it is not a Special Case Resource, for each of the six Capability Periods starting with the Capability Period for which the Installed Capacity Supplier first offers to supply UCAP (“Initial Capability Period”), or the period of years if longer determined by (1) the initial DMNC value of the Installed Capacity Supplier plus the amount of Surplus Capacity at the time the Installed Capacity Supplier first offers to supply UCAP, divided by (2) the average annual growth in MW of the Locational Minimum Installed Capacity Requirement for the New York City Locality over the six Capability Periods preceding the Initial Capability Period. If the foregoing calculation extends mitigation to part of a Capability Period, the entire Capability Period shall be subject an Offer Floor. The initial DMNC value of the Installed Capacity Supplier shall be determined as specified in the ISO’s tariffs and ISO Procedures.

i) Unforced Capacity from an Installed Capacity Supplier that is subject to an Offer Floor may not be used to satisfy any LSE Unforced Capacity Obligation for In-City Load unless such Unforced Capacity is obtained through participation in an ICAP Spot Market Auction.

Issued by: Stephen G. Whitley, President  
Issued on: ~~May 15, 2009~~ August 12, 2010

Effective: ~~January 1, 2010~~ November 1, 2008

~~Filed to comply with Order No. 719 of the Federal Energy Regulatory Commission, Docket Nos. RM07-19-000 and AD07-7-000, issued October 17, 2008, 125 FERC ¶ 61,071 (2008).~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

ii) An Installed Capacity Supplier shall be exempt from an Offer Floor if: (a) any ICAP Spot Market Auction price for the two Capability Periods beginning with the first Capability Period for any part of which the Installed Capacity Supplier is reasonably anticipated to offer to supply UCAP (the “Starting Capability Period”) is projected by the ISO to be higher, with the inclusion of the Installed Capacity Supplier, than the highest Offer Floor based on the Mitigation Net CONE that would be applicable to such supplier in such Capability Periods, or (b) the average of the ICAP Spot Market Auction prices in the six Capability Periods beginning with the Starting Capability Period is projected by the ISO to be higher, with the inclusion of the Installed Capacity Supplier, than the reasonably anticipated Unit Net CONE of the Installed Capacity Supplier. The Developer or Interconnection Customer may request the ISO to make such determinations upon execution of all necessary Interconnection Facilities Study Agreements for the Installed Capacity Supplier. If relating to the exemption specified in (ii)(b) above, such a request shall include all data available to the requesting entity relating to the reasonably anticipated Unit Net CONE. The ISO shall provide the requesting entity with the relevant price projections, the Offer Floors specified in (ii)(a) above, and the ISO’s determination, if applicable, of the reasonably anticipated Unit Net CONE less the costs to be determined in the Project Cost Allocation or Revised Project Cost Allocation, as applicable, not later than the commencement of the Initial Decision Period for the Interconnection Facilities Study to which the Interconnection Facilities Study Agreement applies, provided that all information reasonably necessary to determine the Installed Capacity Supplier’s Unit Net CONE has been delivered to the ISO not later than 60 days prior to the commencement of the Initial Decision Period. When evaluating a request by a Developer or Interconnection Customer pursuant to this Section 4.5(g), the ISO shall seek comment from the Market Monitoring Unit on matters relating to the determination of price projections and cost calculations. The ISO shall provide revised price projections to a requesting entity proceeding to a Subsequent Decision Period not later than the ISO’s issuance of a Revised Project Cost Allocation. The ISO shall inform the requesting entity whether the exemption specified in (b) above is applicable as soon as practicable after completion of the relevant Project Cost Allocation or Revised Project Cost Allocation, in accordance with methods and procedures specified in ISO Procedures. The responsibilities of the Market Monitoring Unit that are addressed in this section of the Mitigation Measures are also addressed in Section 4.6.2.10 of the Plan.

iii) If an Installed Capacity Supplier demonstrates to the reasonable satisfaction of the ISO that its Unit Net CONE is less than any Offer Floor that would otherwise be applicable to the Installed Capacity Supplier, then its Offer Floor shall be reduced to a numerical value equal to its Unit Net CONE.

Issued by: Stephen G. Whitley, President  
Issued on: ~~May 15, 2009~~ August 12, 2010

Effective: ~~January 1, 2010~~ November 1, 2008

~~Filed to comply with Order No. 719 of the Federal Energy Regulatory Commission, Docket Nos. RM07-19-000 and AD07-7-000, issued October 17, 2008, 125 FERC ¶ 61,071 (2008).~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

iv) Mitigation Net CONE for the first two years after the last year covered by the most recent Demand Curves approved by the Commission shall be increased by the escalation factor approved by the Commission for such Demand Curves.

v) An In-City Installed Capacity Supplier that is a Special Case Resource shall be subject to an Offer Floor ~~for (A) beginning with the month of~~ its initial offer to supply Installed Capacity, and ~~until its offers of Installed Capacity have been accepted in the ICAP Spot Market Auction at a price at or above its Offer Floor for a total of twelve, not necessarily consecutive, months. (B) its initial offer to supply Installed Capacity following a period of one year or more in which it did not offer to supply Installed Capacity. Responsible Interface Parties shall identify to the ISO any Special Case Resources shall be exempt from the that is subject to an Offer Floor if the ISO projects that the ICAP Spot Market Auction price will exceed, in accordance with ISO Procedures. The Special Case Resource's Offer Floor for the first twelve months that the Special Case Resource reasonably anticipated to offer to supply UCAP shall continue to be subject to an Offer Floor for the following 11 months, for a total for 12 months.~~ The Offer Floor for a Special Case Resource shall be equal to the minimum monthly payment for providing Installed Capacity payable by its Responsible Interface Party, plus the monthly value of any payments or other benefits the Special Case Resource receives from a third party for providing Installed Capacity, or that is received by the Responsible Interface Party for the provision of Installed Capacity by the Special Case Resource. The Offer Floor calculation shall include any payment or the value of other benefits that are awarded for offering or supplying In-City Capacity, except for payments or the value of other benefits provided under programs administered or approved by New York State or a government instrumentality of New York State. Offers by a Responsible Interface Party at a PTID shall be not lower than the highest Offer Floor applicable to a Special Case Resource providing Installed Capacity at that PTID. Such offers may comprise a set of points for which prices may vary with the quantity offered. If this set includes megawatts from a Special Case Resource(s) with an Offer Floor, then at least the quantity of megawatts in the offer associated with each Special Case Resource must be offered at or above the Special Case Resource's Offer Floor. Offers by a Responsible Interface Party shall be subject to audit to determine whether they conformed to the foregoing Offer Floor requirements. If a Responsible Interface Party together with its Affiliated Entities submits one or more offers below the applicable Offer Floor, and such offer or offers cause or contribute to ~~an~~ decrease in UCAP prices in the New York City Locality of 5 percent or more, provided such

Issued by: Stephen G. Whitley, President

Effective: ~~January 1, 2010~~ November 1, 2008

Issued on: ~~May 15, 2009~~ August 12, 2010

~~Filed to comply with Order No. 719 of the Federal Energy Regulatory Commission, Docket Nos. RM07-19-000 and AD07-7-000, issued October 17, 2008, 125 FERC ¶ 61,071 (2008).~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

decrease is at least \$.50/kilowatt-month, the Responsible Interface Party shall be required to pay to the ISO an amount equal to 1.5 times the difference between the Market-Clearing Price for the New York City Locality in the ICAP Spot Auction for which the offers ~~exceeding~~ below the Offer Floor were submitted with and without such offers being set to the Offer Floor, times the total amount of UCAP sold by the Responsible Interface Party and its Affiliated Entities in such ICAP Spot Auction. If an offer is submitted below the applicable Offer Floor, the ISO will notify the Responsible Market Party and the notification will identify the offer, the Special Case Resource, the price impact, and the penalty amount. The ISO will provide the notice reasonably in advance of imposing such penalty. The ISO shall distribute any amounts recovered in accordance with the foregoing provisions among the entities, other than the entity subject to the foregoing payment requirement, supplying Installed Capacity in regions affected by one or more offers below an applicable Offer Floor in accordance with ISO Procedures.

Issued by: Stephen G. Whitley, President

Effective: November 1, 2008

Issued on: August 12, 2010

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).

#### 4.7 Duration of Mitigation Measures

Except as specified in Section 23.4.5 of this Attachment H, Any mitigation measure imposed as specified above shall expire not later than six months after the occurrence of the conduct giving rise to the measure, or at such earlier time as may be specified by the ISO.

### 5. OTHER MITIGATION MEASURES

#### 5.1 Facilitation of Real-Time Mitigation in Constrained Areas

To facilitate the application of the Real-Time mitigation measures specified in this Attachment H for Constrained Areas, all Generators located in a Constrained Area that are capable of doing so shall respond to RTD Base Point Signals, unless such a Generator is subject to contractual obligations in existence prior to June 1, 2002 that would preclude such operation.

#### 5.2 Market Power Mitigation Measures Applicable to In-City Unit Commitments for Local Reliability

Issued by: ~~William J. Museler~~ Stephen G. Whitley, President Effective: ~~February 1, 2005~~ November 1, 2008  
Issued on: ~~January 28, 2005~~ August 12, 2010  
~~Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER04-230-000, et al., issued on February 11, 2004, 106 FERC ¶ 61,111 (2004).~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. EL07-39-004 and -005, ER08-695-002 and -003, issued May 20, 2010, 131 FERC ¶ 61,170 (2010).