

19.1 Overview of the Sales of TCCs

TCCs will be made available through: (i) the Centralized TCC Auction and Reconfiguration Auction, which will be conducted by the ISO; (ii) Direct Sales by the Transmission Owners, which will be non-discriminatory, auditable sales conducted solely on the OASIS in compliance with the applicable requirements and restrictions set forth in Order No. 889 et seq.; (iii) the conversion of transmission Capacity associated with certain Existing Transmission Agreements (“ETAs”) pursuant to Section 19.2.1 of this Attachment M; (iv) the award of Non-Historic Fixed Price TCCs pursuant to Section 19.2.2 of this Attachment M; (v) the award of Incremental TCCs pursuant to Section 19.2.4 of this Attachment M; (vi) the conversion of ETCNL into ETCNL TCCs; and (vii) the conversion of RCRRs into RCRR TCCs. TCCs may also be available through resale on the Secondary Markets. Prior to the first Centralized TCC Auction, the NYISO distributed to Transmission Owners Original Residual TCCs, the NYISO designated certain transmission Capacity as ETCNL, and some Transmission Owners converted their Grandfathered Rights into Grandfathered TCCs.

19.1.1 Preservation of Tax-Exempt Financing

Notwithstanding any other provision of this Attachment M, neither the ISO nor the Transmission Owners shall be required to grant, or allow the use of, transmission rights that would jeopardize the tax-exempt status of any Local Furnishing Bond(s), Government Bonds, LIPA Tax-Exempt Bonds or any other tax-exempt debt obligations, or impair the ability of a Transmission Owner to issue future tax-exempt obligations. Transmission Owners advising the ISO that the granting or use of transmission rights would jeopardize the tax-exempt status of any Local Furnishing Bond(s), Government Bonds, LIPA Tax-Exempt Bonds or any other tax-exempt debt obligations, or impair the ability of a Transmission Owner to issue future tax-

exempt obligations, shall advise the ISO of the duration of transmission rights that are
unavailable pursuant to this section 19.1.1. and shall indicate whether transmission rights with a
duration of one month are available or not available pursuant to this section 19.1.1.