

19.6 Direct Sale of TCCs by Transmission Owners directly over the OASIS (“Direct Sale”)

19.6.1 Direct Sales

Transmission Owners may sell their Original Residual TCCs, ETCNL, and Grandfathered TCCs directly to buyers through a Direct Sale. Sellers and potential buyers shall communicate all offers to sell and buy TCCs, through a Direct Sale, solely over the ISO’s OASIS. Buyers and Sellers of TCCs by Direct Sale will have the responsibility to report their TCC transactions to the ISO, whereupon the ISO will post them on the OASIS. Provisions governing Primary Holder status and responsibilities otherwise applicable to TCCs shall be applicable to TCCs acquired through a Direct Sale.

During the Direct Sale process, the Transmission Owner electing to use Direct Sale shall have the sole discretion to accept or reject an offer to purchase TCCs. Each Transmission Owner shall develop and apply a non-discriminatory method for choosing the winning offers consistent with FERC Order No. 889, et seq., and may establish eligibility requirements that shall be no more stringent than those set forth in Section 2.14 of this Tariff. The Transmission Owner shall post information regarding the results of the Direct Sale on the ISO’s OASIS promptly after the Direct Sale is completed. The information shall include: (i) the amount of TCCs sold (in MW); (ii) the Point of Injection and Point of Withdrawal for each TCC sold; and (iii) the price paid for each TCC.

Each Transmission Owner may retain its Grandfathered TCCs. If it sells Grandfathered TCCs, a Transmission Owner shall do so through Direct Sales or through Centralized TCC Auctions or Reconfiguration Auctions for periods not extending beyond the termination date of

those TCCs. Payment for TCCs purchased in a Direct Sale shall be in accordance with the terms and conditions of the agreement between the buyer and seller.

19.6.2 Secondary Market for TCCs

After the conclusion of each auction, all Primary Holders may sell their TCCs in the Secondary Markets, unless otherwise provided in this Attachment M. However, the ISO shall make all Settlements with Primary Holders. Buyers in a Secondary Market that elect to become Primary Holders must meet the eligibility criteria in Section 19.7 of this Attachment M. Buyers and Sellers of TCCs in the Secondary Market will have the responsibility to report their TCC transactions to the ISO, whereupon the ISO will post them on the OASIS.