

22 Attachment P – Transmission Interconnection Procedures

22.1 Definitions

Whenever used in these Transmission Interconnection Procedures with initial capitalization, the following terms shall have the meanings specified in this Section 22.1. Terms used in these procedures with initial capitalization that are not defined in this Section 22.1 shall have the meanings specified in Sections 30.1 of Attachment X, Section 25.1.2 of Attachment S, Section 31.1.1 of Attachment Y, or Section 38.1 of Attachment FF of the ISO OATT, or, if not defined therein, in Section 1 of the ISO OATT or Section 2 of the ISO Services Tariff.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District, to which the Developer's Transmission Project is directly interconnected, as those requirements and guidelines are amended and modified and in effect from time to time; provided that no Party shall waive its right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of the Transmission Interconnection Procedures.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Transmission Interconnection Studies by the ISO, Connecting Transmission Owner, or the Transmission Developer, as described in Section 22.6.1 of the Transmission Interconnection Procedures.

Connecting Transmission Owner shall mean the New York public utility or authority (or its designated agent) that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, or (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System at the Point of Interconnection. If a Transmission Project interconnects to more than one Connecting Transmission Owner, the term Connecting Transmission Owner as it appears in this Attachment P shall be read to include all of the Transmission Project's Connecting Transmission Owners.

Facilities Study shall mean the study conducted pursuant to Section 22.9 of this Attachment P to determine a list of facilities required to reliably interconnect the Transmission Project (including Network Upgrade Facilities) as identified in the System Impact Study, the cost of those facilities, and the time required to interconnect the Transmission Project with the New York State Transmission System.

Facilities Study Agreement shall mean the agreement described in Section 22.9.1 of this Attachment P.

In-Service Date shall mean the date upon which the Transmission Project is energized consistent with the provisions of the Transmission Project Interconnection Agreement and available to provide Transmission Service under the NYISO Tariffs.

Network Upgrade Facilities shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with good utility practice and Applicable Reliability Requirements, to make the modifications or additions to the New York State Transmission System that are required for the proposed Transmission Project to connect reliably to the system in a manner that meets the NYISO Transmission Interconnection Standard.

NYISO Transmission Interconnection Standard shall mean the reliability standard that must be met by any Transmission Project proposing to connect to the New York State Transmission System. The standard is designed to ensure reliable access by the proposed project to the New York State Transmission System.

Optional Feasibility Study shall mean the preliminary evaluation of the system impact and cost of interconnecting a Transmission Project to the New York State Transmission System conducted at the option of the Transmission Developer pursuant to Section 22.7 of this Attachment P.

Optional Feasibility Study Agreement shall mean the agreement described in Section 22.7.1 of this Attachment P.

Party or Parties shall mean any entity or entities subject to the requirements of these Transmission Interconnection Procedures.

Point of Interconnection shall mean the point(s) where the Transmission Project connects to the New York State Transmission System.

Queue Position shall mean the order of a valid Interconnection Request, Study Request, or Transmission Interconnection Application relative to all other such pending requests, that is established based upon the date and time of receipt of the valid request by NYISO, unless specifically provided otherwise in an applicable transition rule set forth in Attachment P, Attachment X or Attachment Z to the ISO OATT.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Transmission Interconnection Procedures, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting described in Section 22.4.2.4.

Security shall mean a bond, irrevocable letter of credit, parent company guarantee or other form of security from an entity with an investment grade rating, executed for the benefit of the Connecting Transmission Owner, and/or Affected System Operator, meeting the commercially reasonable requirements of the Connecting Transmission Owner, or Affected System Operator with which it is required to be posted pursuant to Section 22.9.3 of this Attachment P.

System Impact Study shall mean the study conducted pursuant to Section 22.8 of this Attachment P that evaluates the impact of the proposed Transmission Project on the safety and reliability of the New York State Transmission System and, if applicable, an Affected System, to determine what Network Upgrade Facilities are needed for the proposed Transmission Project to

connect reliably to the New York State Transmission System in a manner that meets the NYISO Transmission Interconnection Standard described in Section 22.6.4 of this Attachment P.

System Impact Study Agreement shall mean the agreement described in Section 22.8.1 of this Attachment P.

Transmission Interconnection Application shall mean the Transmission Developer's request, in the form of Appendix 1 to the Transmission Interconnection Procedures, to interconnect a Transmission Project to the New York State Transmission System.

Transmission Developer shall mean any entity, including the Connecting Transmission Owner or any of its Affiliates or subsidiaries that proposes to interconnect its Transmission Project with the New York State Transmission System.

Transmission Interconnection Studies shall mean any of the following studies: the Optional Feasibility Study, the System Impact Study, and the Facilities Study described in the Transmission Interconnection Procedures.

Transmission Project shall be a Transmission Developer's proposed transmission facility or facilities that collectively satisfy the definition of Transmission Project in Section 22.3.1.

Transmission Project Interconnection Agreement shall mean the interconnection agreement applicable to a Transmission Interconnection Application pertaining to a Transmission Project that is entered into in accordance with Section 22.11.

22.2 Scope and Application

22.2.1 Application of Transmission Interconnection Procedures

The Transmission Interconnection Procedures (“TIP”) in Sections 22.2.1 through 22.13 apply to the processing of a Transmission Interconnection Application pertaining to a Transmission Project proposing to interconnect to the New York State Transmission System.

22.2.2 Comparability

The ISO shall receive, process and analyze all Transmission Interconnection Applications in a timely manner as set forth in the Transmission Interconnection Procedures. As described herein, the ISO will process and analyze all Transmission Interconnection Applications with independence and impartiality, in cooperation with and with input from the Transmission Developers, Connecting Transmission Owners and other Market Participants. The ISO will perform, oversee or review the Transmission Interconnection Studies to ensure compliance with the Transmission Interconnection Procedures. The ISO will use the same Reasonable Efforts in processing and analyzing Transmission Interconnection Applications from all Transmission Developers, whether or not the Transmission Projects are owned by a Transmission Owner, its subsidiaries or Affiliates, or others.

22.2.3 No Applicability to Transmission Service or Other Services

Nothing in these Transmission Interconnection Procedures shall constitute a request for Transmission Service or confer upon a Transmission Developer any right to receive Transmission Service. Nothing in these Transmission Interconnection Procedures shall constitute a request for, nor agreement to provide, any energy, Ancillary Services or Installed Capacity under the ISO Services Tariff.

22.3 Transmission Projects Subject to Transmission Interconnection Procedures

22.3.1 Definition of a Transmission Project

22.3.1.1 A Transmission Project, as defined in this Section 22.3.1, shall be subject to the Transmission Interconnection Procedures in this Attachment P.

22.3.1.2 Except as otherwise provided in Section 22.3.1.3, a Transmission Project shall include a Transmission Developer's proposed new transmission facility that will interconnect to the New York State Transmission System or a Transmission Developer's proposed upgrade – an improvement to, addition to, or replacement of a part of an existing transmission facility – to the New York State Transmission System.

22.3.1.3 Notwithstanding the definition of Transmission Project in Section 22.3.1.2, the following transmission facilities will not be a Transmission Project that is subject to these Transmission Interconnection Procedures: (i) a Class Year Transmission Project as defined in Attachment X to the ISO OATT, or (ii) a new transmission facility or upgrade proposed by a Transmission Owner in its Local Transmission Owner Plan or NYPA transmission plan that is not subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y of the ISO OATT or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT and for which the Transmission Owner is not seeking cost allocation under the ISO OATT. A proposed controllable line for which the proposing entity is seeking CRIS to receive UDRs shall be subject to the interconnection requirements in Attachments S and X of the ISO OATT. A Transmission Owner's proposed new transmission facility or

upgrade that is not a Transmission Project shall be subject to the transmission expansion requirements in Section 3.7 of the ISO OATT.

22.3.2 Entering Service Early to Maintain System Reliability

If a Transmission Developer requests to enter into service prior to the completion of all Transmission Interconnection Studies and the completion of any required Network Upgrade Facilities, the Connecting Transmission Owner and the ISO will permit to the Transmission Project's early entry into service if: (i) there is a Transmission Project Interconnection Agreement for the Transmission Project, and (ii) the ISO and Connecting Transmission Owner(s) have determined that the Transmission Project can enter into service without violating Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and the Transmission Project Interconnection Agreement.

22.3.3 Procedures for Interconnection Requests and Study Requests Submitted Prior to the Effective Date of the Transmission Interconnection Procedures

22.3.3.1 Queue Position for Pending Requests

22.3.3.1.1 Any Transmission Developer assigned one or more Queue Position(s) for its Transmission Project prior to the effective date of these Transmission Interconnection Procedures as a Developer for an Interconnection Request submitted pursuant to Attachment X of the ISO OATT or for a Study Request submitted pursuant to Sections 3.7 or 4.5 of the OATT shall retain that Queue Position and may, as applicable, consolidate multiple Queue Positions that collectively address the Transmission Project into one Queue Position.

22.3.3.1.2 If an agreement for one of the Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under

Sections 3.7 or 4.5 of the OATT for a Transmission Project has not been executed as of the effective date of these Transmission Interconnection Procedures, then such study, and any subsequent studies, shall be processed in accordance with these Transmission Interconnection Procedures.

22.3.3.1.3 If an agreement for one of the Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under Sections 3.7 or 4.5 of the OATT for a Transmission Project has been executed prior to the effective date of these Transmission Interconnection Procedures, the Transmission Developer (previously referred to as the Developer or Eligible Customer) that executed the agreement may elect to either complete such study in accordance with the terms of such agreement or to execute the agreement for the comparable study, and to proceed, under these Transmission Interconnection Procedures. If the Transmission Developer elects to complete the study under Attachment X of the OATT or Sections 3.7 or 4.5 of the OATT, the Transmission Developer will proceed with any subsequent studies for the Transmission Project in accordance with the Transmission Interconnection Procedures.

22.3.3.1.4 If an interconnection agreement for a facility that satisfies the definition of Transmission Project in Section 22.3.1 has been submitted to the Commission for approval before the effective date of these Transmission Interconnection Procedures, then the interconnection agreement would be grandfathered.

22.3.3.2 Transition Period

To the extent necessary, the ISO and Transmission Developers with an outstanding request under Attachment X of the ISO OATT or Sections 3.7 or 4.5 of the OATT (*i.e.*, an

Interconnection Request or a Study Request) for which an interconnection agreement has not been submitted to the Commission for approval as of the effective date of these Transmission Interconnection Procedures) shall transition to these procedures within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term “outstanding request” herein shall mean any Interconnection Request or Study Request, on the effective date of these Transmission Interconnection Procedures: (i) that has been submitted but not yet accepted by the ISO; (ii) where the related interconnection agreement has not yet been submitted to the Commission for approval in executed or unexecuted form, (iii) where the relevant agreements for Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under Sections 3.7 or 4.5 of the OATT have not yet been executed, or (iv) where any of the relevant Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under Sections 3.7 or 4.5 of the OATT are in process but not yet completed. Any Transmission Developer with an outstanding request as of the effective date of these Transmission Interconnection Procedures may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Transmission Interconnection Application. A reasonable extension shall be granted by the ISO to the extent consistent with the intent and process provided for under these Transmission Interconnection Procedures.

22.3.4 New Transmission Provider

If the ISO transfers its control of the New York State Transmission System to a successor transmission provider during the period when a Transmission Interconnection Application is pending, the ISO shall transfer to the successor transmission provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for

interconnection. Any difference between such net amount and the deposit or payment required by these Transmission Interconnection Procedures shall be paid by or refunded to the Transmission Developer, as appropriate. The ISO shall coordinate with the successor transmission provider to complete any Transmission Interconnection Applications (including Transmission Interconnection Studies), as appropriate, that the ISO has begun but has not completed. If the ISO has tendered a draft Transmission Project Interconnection Agreement to the Transmission Developer but the Transmission Developer has not either executed that interconnection agreement or requested the filing of an unexecuted Transmission Project Interconnection Agreement with FERC, unless otherwise provided, the Transmission Developer must complete negotiations with the successor transmission provider.

22.4 Transmission Interconnection Application

22.4.1 General

A Transmission Developer proposing to interconnect a Transmission Project to the New York State Transmission System shall submit to the ISO a Transmission Interconnection Application in the form of Appendix 1 to these Transmission Interconnection Procedures. The Transmission Interconnection Application must be accompanied by a non-refundable application fee of \$10,000. The application fee shall be divided equally between the ISO and Connecting Transmission Owner(s). If the ISO selects a Public Policy Transmission Project and designates the project or a portion of the project to a Designated Entity other than the original Developer pursuant to the provisions of Attachment Y of the ISO OATT, the Designated Entity that is not the original Developer of the project may (i) join an ongoing Transmission Interconnection Application that covers the entire Public Policy Transmission Project with the agreement of the original Transmission Developer and be jointly and severally responsible for the study costs, or (ii) submit a separate Transmission Interconnection Application for its Designated Public Policy Project pursuant to the requirements in this Article 22.4. In the event that the Designated Entity submits a separate Transmission Interconnection Application and the Designated Public Policy Project is a project component(s) of a Transmission Project with an existing Transmission Interconnection Application, such component(s) will be removed from the existing Transmission Interconnection Application and such change to the Transmission Project shall not constitute a material modification in accordance with Section 22.5.4.2.

22.4.2 Valid Transmission Interconnection Application

22.4.2.1 Initiating a Transmission Interconnection Application

To initiate a Transmission Interconnection Application, a Transmission Developer must

submit a \$10,000 non-refundable application fee and a completed application in the form of Appendix 1. The expected In-Service Date of the Transmission Project provided at the time of the submission of the Transmission Interconnection Application, and updates to the In-Service Date submitted after submission of the Transmission Interconnection Application, shall be no more than ten (10) years from the date the Transmission Interconnection Application is received by the ISO, subject to demonstration of reasonable progress of development of the Transmission Project.

22.4.2.2 Acknowledgment and Notification of Transmission Interconnection Application

The ISO shall acknowledge receipt of the Transmission Interconnection Application within five (5) Business Days of receipt of the request and attach a copy of the received Transmission Interconnection Application to the acknowledgement it returns to the Transmission Developer. At the same time, the ISO shall forward a copy of the Transmission Interconnection Application and its acknowledgement to the Connecting Transmission Owner(s) with whom the Transmission Developer is proposing to connect; *provided, however*, that any Transmission Interconnection Application that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y to the ISO OATT or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT shall not be forwarded to the Connecting Transmission Owner(s) until the close of the applicable solicitation window.

22.4.2.3 Deficiencies in Transmission Interconnection Application

A Transmission Interconnection Application will not be considered to be a valid application until all items in Section 22.4.2.1 have been received by the ISO and the applicable

solicitation window has closed for any Transmission Interconnection Application that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y to the ISO OATT or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT. If a Transmission Interconnection Application fails to meet the requirements set forth in Section 22.4.2.1, the ISO shall notify the Transmission Developer and the Connecting Transmission Owner(s) within five (5) Business Days of receipt of the initial Transmission Interconnection Application of the reasons for such failure and that the Transmission Interconnection Application does not constitute a valid application. However, for any Transmission Interconnection Application that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y to the ISO OATT or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT and that fails to meet the requirements set forth in Section 22.4.2.1, the ISO shall notify the Transmission Developer and the Connecting Transmission Owner(s) no later than five (5) Business Days following the close of the applicable solicitation window. The Transmission Developer shall provide the ISO the additional requested information needed to constitute a valid application within ten (10) Business Days after receipt of such notice. The ISO shall promptly forward such information to the Connecting Transmission Owner(s); *provided, however*, for any Transmission Interconnection Application that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y of the ISO OATT or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT, such information will not be forwarded to the Connecting Transmission Owner(s) until the close of the applicable solicitation window. Failure by the Transmission Developer to comply with this Section 22.4.2.3 shall be

treated in accordance with Section 22.4.5.

22.4.2.4 Scoping Meeting

Within ten (10) Business Days after receipt of a valid Transmission Interconnection Application, the ISO shall establish a date agreeable to the Transmission Developer and the Connecting Transmission Owner(s) for the Scoping Meeting. The date shall be no later than thirty (30) Calendar Days from receipt of the valid Transmission Interconnection Application, unless otherwise mutually agreed upon by the Parties.

The purposes of the Scoping Meeting shall be to discuss whether the Transmission Developer elects to pursue an Optional Feasibility Study or proceed to a System Impact Study for its Transmission Project, to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. The ISO, Connecting Transmission Owner(s), and the Transmission Developer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general stability issues, (iii) general short circuit issues, (iv) general voltage issues, (v) general reliability issues, and (vi) general system protection issues, as may be reasonably required to accomplish the purpose of the meeting. The ISO, Connecting Transmission Owner(s) and the Transmission Developer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. The Transmission Developer shall in writing within five (5) Business Days of this meeting: (i) make its election as to whether it will pursue an Optional Feasibility Study or proceed to a System Impact Study for its Transmission Project, and (ii) designate the Point(s) of Interconnection for the Transmission Project. The duration of the

meeting shall be sufficient to accomplish its purpose.

If (i) a Transmission Developer that elects pursuant to Section 22.4.1 to submit a new Transmission Interconnection Application for its Designated Public Policy Project that is a component of a Transmission Project that is already subject to a Transmission Interconnection Application; (ii) the Transmission Project subject to the original Transmission Interconnection Application has a completed SIS; and (iii) there have been no material modifications to the Transmission Project, including the Designated Public Policy Project, since the ISO performed the SIS pursuant to the original Transmission Interconnection Application, then the ISO, Transmission Developer(s) of the new Transmission Interconnection Application, and Connecting Transmission Owner can agree to proceed directly to the Facilities Study with the new Transmission Interconnection Application. Such agreement to proceed directly to the Facilities Study shall not be unreasonably withheld.

22.4.3 OASIS Posting

The ISO will maintain on its OASIS a list of all valid Transmission Interconnection Applications. The list will identify, for each Transmission Interconnection Application: (i) the maximum summer and winter megawatt electrical output, if applicable; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Transmission Interconnection Application, including Queue Position; (vi) the identity of the Transmission Developer; (vii) the availability of any studies related to the Transmission Interconnection Application; (viii) the date of the Transmission Interconnection Application; (ix) the type of the Transmission Project to be constructed; and (x) for Transmission Interconnection Applications that have not resulted in a completed interconnection, an explanation as to why it was not completed. Before holding a

Scoping Meeting with an Affiliate of a Connecting Transmission Owner and that Connecting Transmission Owner, the ISO shall post on its OASIS an advance notice of its intent to do so. The ISO shall post to its OASIS site any deviations from the study timelines set forth herein. Transmission Interconnection Study reports shall be posted to the ISO password-protected website subsequent to the meeting between the Transmission Developer, the ISO and the Connecting Transmission Owner(s) to discuss the applicable study results. The ISO shall also post any known deviations in date proposed by the Transmission Project in Section 22.4.3(iv), above.

22.4.4 Coordination with Affected Systems

The ISO will coordinate the conduct of any studies required to determine the impact of the Transmission Interconnection Application on Affected Systems with Affected System Operators. The ISO will include those results on Affected Systems in its applicable Transmission Interconnection Study within the time frame specified in these Transmission Interconnection Procedures. The ISO will also include results, if available, on other Affected Systems. The ISO will invite such Affected System Operators to all meetings held with the Transmission Developer as required by these Transmission Interconnection Procedures. The Transmission Developer will cooperate with the ISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems. An Affected System Operator shall cooperate with the ISO and Connecting Transmission Owner(s) with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

22.4.5 Withdrawal

The Transmission Developer may withdraw its Transmission Interconnection Application

at any time by written notice of such withdrawal to the ISO. In addition, if the Transmission Developer fails to adhere to all requirements of these Transmission Interconnection Procedures, except as provided in Section 22.13.5 (Disputes), the ISO shall deem the Transmission Interconnection Application to be withdrawn and shall provide written notice to the Transmission Developer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Transmission Developer shall have a cure period of fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify the ISO of its intent to pursue Dispute Resolution.

Withdrawal following the end of the cure period shall result in the loss of the Transmission Developer's Queue Position. If a Transmission Developer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the Transmission Developer's Transmission Interconnection Application is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. A Transmission Developer that withdraws or is deemed to have withdrawn its Transmission Interconnection Application shall pay to the ISO and Connecting Transmission Owner(s) all costs that the ISO and Connecting Transmission Owner(s) prudently incur with respect to that Transmission Interconnection Application prior to the receipt of notice described above. The Transmission Developer must pay all monies due to the ISO and Connecting Transmission Owner(s) before it is allowed to obtain any Transmission Interconnection Study data or results.

The ISO shall (i) update the OASIS Queue Position posting and (ii) refund to the Transmission Developer any portion of the Transmission Developer's deposit or study payments that exceeds the costs that the ISO has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, the ISO and

Connecting Transmission Owner(s), subject to the confidentiality provisions of Section 22.13.1, shall provide, at the Transmission Developer's request, all information that the ISO and Connecting Transmission Owner(s) developed for any completed study conducted up to the date of withdrawal of the Transmission Interconnection Application.

22.5 Queue Position

22.5.1 General

The ISO shall assign a Queue Position based upon the date and time of receipt of the valid Transmission Interconnection Application; provided that, if the sole reason a Transmission Interconnection Application is not valid is the lack of required information on the application form, and the Transmission Developer provides such information in accordance with Section 22.4.2.3, then the ISO shall assign the Transmission Developer a Queue Position based on the date the application form was originally filed. The Queue Position of each Transmission Interconnection Application will be used to determine the order of performing the Transmission Interconnection Studies. A higher queued Transmission Interconnection Application is one that has been placed “earlier” in the queue in relation to another Transmission Interconnection Application that is lower queued.

22.5.2 Clustering

At the ISO’s option, Transmission Interconnection Applications may be studied serially or in clusters for the purpose of the System Impact Study or Facilities Study.

22.5.3 Transferability of Queue Position

A Transmission Developer may transfer its Queue Position to another entity only if such entity acquires the specific Transmission Project identified in the Transmission Interconnection Application and the Point(s) of Interconnection do not change. As a result of such a transfer, the acquiring entity shall become the Transmission Developer of the specific Transmission Project identified in the Transmission Interconnection Application.

22.5.4 Modifications

The Transmission Developer shall submit to the ISO, in writing, modifications to any information provided in the Transmission Interconnection Application. The Transmission Developer shall retain its Queue Position if the modifications are permitted in accordance with Section 22.5.4.1, or are determined not to be material modifications pursuant to Section 22.5.4.3.

22.5.4.1 Prior to the parties' execution of the System Impact Study Agreement, the Transmission Developer may make any modification to the information provided in the Transmission Interconnection Application.

22.5.4.2 Following the parties' execution of the System Impact Study Agreement, a Transmission Developer may not make any modification to the proposed Transmission Project, except for changes to the project's electrical characteristics that the ISO determines do not constitute a material modification; *provided, however,* that a Transmission Developer may modify a Transmission Project that is selected by the ISO as the more efficient or cost effective solution in the ISO's Public Policy Transmission Planning Process to remove components of the Transmission Project that were designated to a Designated Entity, as defined in Attachment Y to the ISO OATT, other than the Transmission Developer and for which the Designated Entity submits a separate Transmission Interconnection Application pursuant to Section 22.4.1 for the components of the Transmission Project requested to be removed.

22.5.4.3 The ISO shall evaluate a modification to the Transmission Project's electrical characteristics and will inform the Transmission Developer in writing of whether the modifications constitute a material modification. The ISO shall commence and perform any necessary additional studies as soon as practicable,

but in no event shall the ISO commence such studies later than thirty (30) Calendar Days after receiving notice of Transmission Developer's request. Any additional studies resulting from such modification shall be done at Transmission Developer's cost.

22.5.4.4 If the ISO determines that a Transmission Developer's modification to its Transmission Project constitute a material modification, the Transmission Developer must perform a new System Impact Study for its modified Transmission Project, subject to the execution of a new System Impact Study Agreement and the provision of the required study deposit.

22.5.4.5 Modifications to a Transmission Project that are permitted under this Section 22.5.4 for the purposes of the Transmission Interconnection Procedures may not be permitted under the separate requirements of the Comprehensive System Planning Process in accordance with Attachment Y of the ISO OATT or the Short-Term Reliability Process in accordance with Attachment FF of the ISO OATT.

22.6 Base Case for Transmission Interconnection Procedures and NYISO Transmission Interconnection Standard

22.6.1 Base Case Data

The power flow, short circuit, and stability data bases, hereinafter referred to as Base Cases, shall include the following that will be based upon either the ISO's fifth year or tenth year case included in the most recent FERC Form No. 715: (i) all existing generation and transmission facilities identified in the ISO's most recent NYISO Load and Capacity Data Report, excluding those facilities that are subject to Class Year cost allocation but for which Class Year cost allocations have not been accepted; (ii) all planned projects subject to Attachment S of the ISO OATT that have accepted their cost allocation in a prior Class Year cost allocation process and System Upgrade Facilities and System Deliverability Upgrades associated with those projects except that System Deliverability Upgrades where construction has been deferred pursuant to Section 25.7.12.2 and 25.7.12.3 of Attachment S of the ISO OATT will only be included if construction of the System Deliverability Upgrades has been triggered under Section 25.7.12.3 of Attachment S of the ISO OATT; (iii) all generation and transmission retirements and derates identified in the NYISO Load and Capacity Data Report as scheduled to occur during the study period for the Transmission Interconnection Study; (iv) Transmission Projects that have met the following milestones: (1) have been triggered (if subject to the Reliability Planning Process), selected (if subject to the Short-Term Reliability Process), selected (if subject to the Public Policy Transmission Planning Process), or approved by beneficiaries (if subject to the Economic Planning Process); (2) have a completed System Impact Study (if applicable); (3) have a determination pursuant to Article VII that the Article VII application filed for the facility is in compliance with Public Service Law §122 (*i.e.*, "deemed complete") (if applicable); and (4) are making reasonable progress under the applicable Attachments Y or FF

planning process (if applicable); (v) transmission projects identified as “firm” by the Connecting Transmission Owner and either (1) have commenced a Facilities Study (if applicable) and have an Article VII application deemed complete (if applicable); or (2) are under construction and scheduled to be in-service within 12 months and (vi) all other changes to existing facilities, other than changes that are subject to Class Year cost allocation but that have not accepted their Class Year cost allocation, that are identified in the NYISO Load and Capacity Data Report or reported by Market Participants to the NYISO as scheduled to occur during the study period for the Transmission Interconnection Study. If the ISO has triggered multiple Transmission Projects under its Reliability Planning Process, the ISO will include in the base case the selected Transmission Project until or unless that project is halted or its Development Agreement is terminated, in which case the ISO will include in the base case the regulated backstop solution. If the proposed Transmission Project is related to or in response to a system condition not reflected in the above requirements, the ISO may, as appropriate, amend the Base Cases to take that system condition into account in evaluating the proposed Transmission Project.

22.6.2 Release of Base Case Data

The ISO or Connecting Transmission Owner, depending upon which of those Parties possesses the data requested, shall provide base power flow, short circuit and stability databases, including all underlying assumptions and contingency lists, to the Transmission Developer upon request. All Parties shall treat Confidential Information in accordance with Section 22.13.1 of these Transmission Interconnection Procedures. The ISO and Connecting Transmission Owner are permitted to require that the Transmission Developer sign a non-disclosure agreement before the release of Confidential Information or Critical Energy Infrastructure Information in the Base Case data.

22.6.3 The Transmission Interconnection Studies

All Transmission Projects must interconnect in compliance with the NYISO Transmission Interconnection Standard. The ISO evaluates a Transmission Interconnection Application for compliance with the NYISO Transmission Interconnection Standard throughout the Transmission Interconnection Study process. The Transmission Interconnection Studies conducted under the Transmission Interconnection Procedures consist of short circuit/fault duty, steady state (thermal and voltage) and stability analyses designed to identify the Network Upgrade Facilities required for the reliable interconnection of Transmission Projects to the New York State Transmission System in compliance with the NYISO Transmission Interconnection Standard.

22.6.4 NYISO Transmission Interconnection Standard

The NYISO Transmission Interconnection Standard is designed to ensure that a proposed Transmission Project, as it proposes to interconnect to the New York State Transmission System, is consistent with Applicable Reliability Standards and will not degrade interface transfer capability by more than 25 MW.

22.7 Optional Feasibility Study

22.7.1 Optional Feasibility Study Agreement

As soon as practicable after receiving the Transmission Developer's election in the Scoping Meeting in accordance with Section 22.4.2.4 to pursue an Optional Feasibility Study for its Transmission Project, the ISO shall tender to the Transmission Developer and the Connecting Transmission Owner an Optional Feasibility Study Agreement. At the Scoping Meeting, the Transmission Developer shall specify for inclusion in the attachment to the Optional Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative configurations, not to exceed two alternative configurations. The Transmission Developer must provide a \$60,000 study deposit to the ISO for the Optional Feasibility Study. The tendered Optional Feasibility Study Agreement will include a good faith estimate of the cost for completing the Optional Feasibility Study. The Optional Feasibility Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by the ISO and the Connecting Transmission Owner for the Optional Feasibility Study. The Optional Feasibility Study Agreement shall provide that if actual study costs exceed the study deposit, the Transmission Developer shall pay the ISO the amount in excess of the study deposit, and if the actual study costs are less than the study deposit, the ISO shall refund the remaining deposit amount to the Transmission Developer. The Optional Feasibility Study Agreement shall also set forth the study schedule based on the study scope. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute and deliver to the ISO the Optional Feasibility Study Agreement no later than thirty (30) Calendar Days after the ISO tenders the Optional Feasibility Study Agreement. The Transmission Developer shall, on or before the return of the executed Optional Feasibility Study Agreement to the ISO, provide the required \$60,000 deposit.

On or before the return of the executed Optional Feasibility Study Agreement to the ISO,

the Transmission Developer shall provide the technical data required by the agreement. If the Transmission Developer does not provide all required technical data when it delivers the Optional Feasibility Study Agreement, the ISO shall notify the Transmission Developer of the deficiency within five (5) Business Days of the receipt of the executed Optional Feasibility Study Agreement and the Transmission Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, *provided, however*, such deficiency does not include failure to deliver the executed Optional Feasibility Study Agreement or deposit. If the Transmission Developer fails to provide the required technical data within this timeframe, the Transmission Interconnection Application shall be withdrawn in accordance with Section 22.4.5. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute the Optional Feasibility Study Agreement within thirty (30) Calendar Days after the ISO tenders the Optional Feasibility Study Agreement.

22.7.2 Optional Feasibility Study Scope and Procedures

The Optional Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the New York State Transmission System. The Optional Feasibility Study shall be conducted in accordance with Applicable Reliability Standards and will evaluate the Transmission Project using the Base Case described in Section 22.6.1. The Optional Feasibility Study may consist of any of the following technical analyses as described in the Optional Feasibility Study scope:

- a. Conceptual breaker-level one-line diagram of existing system where project proposes to interconnect;
- b. Review of feasibility/constructability of conceptual breaker-level one-line diagram of the proposed interconnection (e.g., space for additional breaker bay in existing

substation; identification of cable routing concerns inside existing substation; environmental concerns inside the substation);

- c. Preliminary review of local protection, communication, grounding issues associated with the proposed interconnection;
- d. Power flow, short circuit and/or bus flow analyses; and/or
- e. Identification of Network Upgrade Facilities.

The schedule for completing the Optional Feasibility Study will be documented in the Optional Feasibility Study Agreement. The ISO shall utilize existing studies to the extent practicable when it performs the study. Upon request, the ISO shall provide the Transmission Developer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Optional Feasibility Study, subject to confidentiality arrangements consistent with Section 22.13.1.

22.7.3 Optional Feasibility Study Report Meeting

As soon as practicable after completing the initial draft of the Optional Feasibility Study report, the ISO will provide the Optional Feasibility Study report to the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems for review and comment. Upon completion of this review process, the ISO and the Connecting Transmission Owner shall meet with Transmission Developer and any Affected Systems to discuss the results of the Optional Feasibility Study.

22.8 System Impact Study

22.8.1 System Impact Study Agreement

As soon as practicable after receiving the Transmission Developer's election in the Scoping Meeting in accordance with Section 22.4.2.4 to proceed to a System Impact Study ("SIS") or simultaneously with the delivery of an Optional Feasibility Study to the Transmission Developer, the ISO shall tender the Transmission Developer and Connecting Transmission Owner a System Impact Study Agreement. Upon tendering the System Impact Study Agreement, the ISO shall provide to the Transmission Developer a non-binding good faith estimate of the cost and timeframe for completing the SIS.

The Transmission Developer must provide a \$120,000 study deposit to the ISO for the SIS if the ISO is responsible for performing the entire study; *provided, however*, that if the Transmission Developer is hiring a third-party consultant to perform the analytical portion of the study, pursuant to the requirements set forth in Section 22.13.4 of this Attachment P, the required deposit is \$40,000. The System Impact Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by the ISO and the Connecting Transmission Owner for the SIS. The System Impact Study Agreement shall provide that if actual study costs exceed the study deposit, the Transmission Developer shall pay the ISO the amount in excess of the study deposit, and if the actual study costs are less than the study deposit, the ISO shall refund the remaining deposit amount to the Transmission Developer. The System Impact Study Agreement shall also set forth the study schedule based on the study scope.

22.8.2 Execution of System Impact Study Agreement

The Transmission Developer shall execute and deliver to the ISO the System Impact Study Agreement and the applicable study deposit set forth in Section 22.8.1 no later than thirty

(30) Calendar Days after its receipt. On or before the return of the executed System Impact Study Agreement to the ISO, the Transmission Developer shall provide the technical data required by the agreement. If the Transmission Developer does not provide all required technical data when it delivers the System Impact Study Agreement, the ISO shall notify the Transmission Developer of the deficiency within five (5) Business Days of the receipt of the executed System Impact Study Agreement and the Transmission Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, *provided, however*, such deficiency does not include failure to deliver the executed System Impact Study Agreement or deposit. If the Transmission Developer fails to provide the required technical data within this timeframe, the Transmission Interconnection Application shall be withdrawn in accordance with Section 22.4.5. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute the System Impact Study Agreement within thirty (30) Calendar Days after the ISO tenders the System Impact Study Agreement. The Transmission Developer shall, on or before the return of the executed System Impact Study Agreement to the ISO, provide the required study deposit.

22.8.3 Scope of System Impact Study

The SIS shall evaluate the impact of the proposed interconnection on the reliability of the New York State Transmission System. The SIS shall be conducted in accordance with Applicable Reliability Standards. The ISO Operating Committee shall approve the specific study scope proposed for each SIS. If an Optional Feasibility Study is not performed for the project, the SIS will also evaluate the feasibility of the proposed interconnection.

Evaluation under the NYISO Transmission Interconnection Standard involves a transmission security analysis using thermal, voltage, stability and short circuit analyses, as well

as a transfer limit analysis to ensure that a Transmission Project does not degrade interface transfer capability. A Transmission Project will trigger a Network Upgrade Facility if upgrades are necessary to mitigate impacts to the controlling limit (*i.e.*, voltage, stability, thermal) as well as any impact to the thermal limit. A Transmission Project will also trigger a Network Upgrade Facility if it degrades by more than 25 MW the pre-project transfer limits of any NYISO transmission planning interface recognized in the ISO's transmission planning studies pursuant to ISO procedures. A Transmission Project that triggers an upgrade would have to fully restore the impacted transfer limits to the pre-project limits.

22.8.4 System Impact Study Procedures

The ISO shall coordinate the SIS with any Affected System that is affected by the Transmission Interconnection Application pursuant to Section 22.4.4 above. The ISO shall utilize existing studies to the extent practicable when it performs the study.

The SIS will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to the proposed interconnection, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The SIS will provide a list of Network Upgrade Facilities that are required as a result of the Transmission Project and a nonbinding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

The ISO may evaluate Transmission Projects moving forward in the same time frame that both contribute to Network Upgrade Facilities to determine their *pro rata* cost responsibility for such Network Upgrade Facilities.

Upon request, the ISO shall provide the Transmission Developer all supporting

documentation, workpapers and relevant pre-Transmission Interconnection Application and post-Transmission Interconnection Application power flow, short circuit and stability databases for the SIS, subject to confidentiality arrangements consistent with Section 22.13.1.

22.8.5 Study Report Meeting

As soon as practicable after completing the initial draft of the System Impact Study report, the ISO will provide the System Impact Study report to the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems for review and comment. Upon completion of this review process, the ISO and the Connecting Transmission Owner shall meet with Transmission Developer and any Affected Systems to discuss the results of the SIS.

The ISO Operating Committee shall approve each final SIS.

22.9 Facilities Study

22.9.1 Facilities Study Agreement

A Transmission Developer may request that the ISO tender a Facilities Study Agreement for its Transmission Project at any time following the ISO Operating Committee's approval of the SIS for the Transmission Project pursuant to Section 22.8.5. As soon as practicable after the ISO's receipt of the Transmission Developer's request, the ISO shall tender the Transmission Developer and Connecting Transmission Owner a Facilities Study Agreement. When the ISO tenders the Facilities Study Agreement, it shall provide to the Transmission Developer a non-binding good faith estimate of the cost and timeframe for completing the Facilities Study.

The Transmission Developer must provide a \$100,000 study deposit to the ISO for the Facilities Study. The Facilities Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by the ISO and the Connecting Transmission Owner for the Facilities Study Agreement. NYISO shall invoice the Transmission Developer on a monthly basis for the work to be conducted on the Facilities Study. The Transmission Developer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. The ISO shall continue to hold the amounts on deposit until settlement of the final invoice. The Facilities Study Agreement shall provide that if actual study costs exceed the study deposit, the Transmission Developer shall pay the ISO the amount in excess of the study deposit, and if the actual study costs are less than the study deposit, the ISO shall refund the remaining deposit amount to the Transmission Developer. The Facilities Study Agreement shall also set forth the study schedule based on the study scope.

22.9.2 Execution of Facilities Study Agreement

The Transmission Developer, the ISO and the Connecting Transmission Owner shall

execute and deliver to the ISO the Facilities Study Agreement no later than thirty (30) Calendar Days after the ISO tenders the Facilities Study Agreement. The Transmission Developer shall, on or before the return of the executed Facilities Study Agreement to the ISO, provide the deposit and technical data required by the agreement. If the Transmission Developer does not provide all required technical data when it delivers the Facilities Study Agreement, the ISO shall notify the Transmission Developer of the deficiency within five (5) Business Days of the receipt of the executed Facilities Study Agreement, and the Transmission Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, *provided, however*, such deficiency does not include failure to deliver the executed Facilities Study Agreement or deposit. If the Transmission Developer fails to provide the required technical data within this timeframe, the Transmission Interconnection Application shall be withdrawn in accordance with Section 22.4.5. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute and deliver to the ISO the Facilities Study Agreement no later than thirty (30) Calendar Days after the ISO tenders the Facilities Study Agreement. The Transmission Developer shall, on or before the return of the executed Facilities Study Agreement to the ISO, provide the required \$100,000 deposit.

22.9.3 Scope of Facilities Study

The Facilities Study shall update and refine the description of Network Upgrade Facilities identified in the System Impact Study, including the equipment, work and related cost and time estimates necessary to construct the required Network Upgrade Facilities. Transmission Developer will be responsible for posting Security in the amount of the cost estimates for the Network Upgrade Facilities documented in the final Facilities Study report pursuant to Section 22.11.1 of this Attachment P. The Facilities Study shall also contain a non-binding estimate as to

the feasible TCCs resulting from the construction of the new facilities, as applicable.

22.9.4 Facilities Study Procedures

The ISO shall coordinate the Facilities Study with the Connecting Transmission Owner and Affected System Operators, and with any other Affected System pursuant to Section 22.4.4. The ISO shall utilize existing studies to the extent practicable in performing the Facilities Study.

22.9.5 Study Report Meeting

As soon as practicable after completing the initial draft of the Facilities Study report, the ISO will provide the Facilities Study report to the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems for review and comment. Upon completion of this review process, the ISO and the Connecting Transmission Owner shall meet with Transmission Developer and any Affected Systems to discuss the results of the Facilities Study.

22.10 Engineering & Procurement (“E&P”) Agreement

Prior to executing a Transmission Project Interconnection Agreement, a Transmission Developer may, in order to advance the implementation of its interconnection, request and Connecting Transmission Owner shall offer the Transmission Developer, an E&P Agreement that authorizes the Connecting Transmission Owner to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Connecting Transmission Owner shall not be obligated to offer an E&P Agreement if the Transmission Developer is in Dispute Resolution as a result of an allegation that the Transmission Developer has failed to meet any milestones or comply with any prerequisites specified in other parts of these Transmission Interconnection Procedures. The E&P Agreement is an optional procedure and it will not alter the Transmission Developer’s Queue Position or In-Service Date. The E&P Agreement shall provide for the Transmission Developer to pay the cost of all activities authorized by the Transmission Developer and to make advance payments or provide other satisfactory security for such costs. The Transmission Developer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If the Transmission Developer withdraws its Transmission Interconnection Application or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, the Transmission Developer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Connecting Transmission Owner may elect: (i) to take title to the equipment, in which event Connecting Transmission Owner shall refund the Transmission Developer any amounts paid by the Transmission Developer for such equipment

and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to the Transmission Developer, in which event the Transmission Developer shall pay any unpaid balance and cost of delivery of such equipment.

22.11 Transmission Project Interconnection Agreement

22.11.1 Tender

After completion of the Facilities Study, the Transmission Developer may request the ISO tender a draft Transmission Project Interconnection Agreement together with draft appendices completed to the extent practicable; *provided, however*, that if a Transmission Developer's proposed Transmission Project is only interconnecting to its own, existing facilities, a Transmission Project Interconnection Agreement is not required. If a Transmission Project includes more than one Designated Public Policy Project as identified in accordance with Attachment Y to the ISO OATT, the ISO may treat each Designated Public Policy Project comprising the Transmission Project as a separate Transmission Project for purposes of this Section 22.11 and tender separate draft Transmission Project Interconnection Agreements together with draft appendices to each Designated Entity, as applicable. The draft Transmission Project Interconnection Agreement shall be consistent with the NYISO's Commission-approved Standard Large Generator Interconnection Agreement located in Appendix 6 to Attachment X of the OATT, modified to address a Transmission Project. The Transmission Project Interconnection Agreement shall provide the mechanism through which a Transmission Developer shall post Security for required Network Upgrade Facilities. A Transmission Developer will be required to post Security with the applicable Connecting Transmission Owner for Network Upgrade Facilities identified in the Facilities Study; however, if the Transmission Developer and Connecting Transmission Owner are the same entity, the Transmission Developer need not post Security for Network Upgrade Facilities required on its own facilities.

22.11.2 Negotiation

Notwithstanding Section 22.11.1, at the request of the Transmission Developer, the ISO

and Connecting Transmission Owner shall begin negotiations with the Transmission Developer concerning the Transmission Project Interconnection Agreement and its appendices at any time after the Transmission Developer completes the Facilities Study Agreement. The ISO, Connecting Transmission Owner and Transmission Developer shall finalize the appendices and negotiate concerning any disputed provisions of the draft Transmission Project Interconnection Agreement and its appendices subject to the six (6) month time limitation specified below in this Section 22.11.2. If the Transmission Developer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Transmission Project Interconnection Agreement pursuant to Section 22.11.1 and request submission of the unexecuted Transmission Project Interconnection Agreement to FERC or initiate Dispute Resolution procedures pursuant to Section 22.13.5. If the Transmission Developer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted Transmission Project Interconnection Agreement or initiate Dispute Resolution, it shall be deemed to have withdrawn its Transmission Interconnection Application. Unless otherwise agreed by the Parties, if the Transmission Developer has not executed the Transmission Project Interconnection Agreement, requested filing of an unexecuted Transmission Project Interconnection Agreement, or initiated Dispute Resolution procedures pursuant to Section 22.13.5 within six (6) months of tender of draft Transmission Project Interconnection Agreement, it shall be deemed to have withdrawn its Transmission Interconnection Application.

22.11.3 Execution and Filing

The Transmission Developer shall either: (i) execute three (3) originals of the tendered Transmission Project Interconnection Agreement and return them to the ISO and Connecting

Transmission Owner and request in writing that the ISO and Connecting Transmission Owner file with FERC for its acceptance the agreed-upon Transmission Project Interconnection Agreement; or (ii) request in writing that the ISO and Connecting Transmission Owner file with FERC a Transmission Project Interconnection Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either submission by the Transmission Developer, the ISO and Connecting Transmission Owner shall file the Transmission Project Interconnection Agreement with FERC. If the Transmission Developer has requested that the ISO file the Transmission Project Interconnection Agreement in unexecuted form, the ISO will draft the portions of the Transmission Project Interconnection Agreement and appendices that are in dispute. The ISO will provide its explanation of any matters as to which the Parties disagree and support for the costs that the Connecting Transmission Owner proposes to charge to the Transmission Developer under the Transmission Project Interconnection Agreement. An unexecuted Transmission Project Interconnection Agreement should contain terms and conditions deemed appropriate by the ISO for the Transmission Interconnection Application. The Connecting Transmission Owner will provide in a separate filing any comments it has on the unexecuted agreement, including any alternative positions, it may have with respect to the disputed provisions. If the Parties agree to proceed with design, procurement, and construction of Network Upgrade Facilities under the agreed-upon terms of the unexecuted Transmission Project Interconnection Agreement, they may proceed pending Commission action.

22.11.4 Commencement of Interconnection Activities

Upon submission of an executed or unexecuted Transmission Project Interconnection Agreement in accordance with Section 22.11.3, the ISO, Connecting Transmission Owner and

the Transmission Developer shall perform their respective obligations that are not in dispute in accordance with the terms of the Transmission Project Interconnection Agreement, subject to modification by FERC.

22.11.5 Termination of the Transmission Project Interconnection Agreement

The termination of a Transmission Project Interconnection Agreement will be effective only upon acceptance by FERC of the notice of termination and proposed effective date. Upon the effective date of the termination of the Transmission Project Interconnection Agreement, access to the Point of Interconnection of the Transmission Project will be available on a non-discriminatory basis pursuant to the ISO's applicable interconnection processes and procedures.

22.12 Construction of Connecting Transmission Owner's Network Upgrade Facilities

22.12.1 Schedule

The Connecting Transmission Owner, Affected System Operators and the Transmission Developer shall negotiate in good faith concerning a schedule for the construction of the Network Upgrade Facilities. In general, the In-Service Dates set forth in applicable interconnection agreements will determine the sequence of construction of required upgrade facilities.

22.12.2.2 Advance Construction of Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades that are an Obligation of an Entity other than the Transmission Developer

A Transmission Developer with a Transmission Project Interconnection Agreement, in order to maintain its In-Service Date, may request that the Connecting Transmission Owner advance to the extent necessary the completion of Network Upgrade Facilities, System Upgrade Facilities, and System Deliverability Upgrades that: (i) were assumed in the Transmission Interconnection Studies for such Transmission Developer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than the Transmission Developer that is seeking interconnection to the New York State Transmission System, in time to support such In-Service Date. Upon such request, Connecting Transmission Owner will use Reasonable Efforts to advance the construction of such Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades to accommodate such request; provided that the Transmission Developer commits in writing to pay Connecting Transmission Owner any associated expediting costs.

22.12.2.3 Advancing Construction of Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades that are Part of an Expansion Plan of the ISO or Connecting Transmission Owner

A Transmission Developer with a Transmission Project Interconnection Agreement, in order to maintain its In-Service Date, may request that the Connecting Transmission Owner advance to the extent necessary the completion of Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of the ISO or Connecting Transmission Owner, in time to support such In-Service Date. Upon such request, Connecting Transmission Owner will use Reasonable Efforts to advance the construction of such Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades to accommodate such request; provided that the Transmission Developer commits in writing to pay Connecting Transmission Owner any associated expediting costs.

22.13 Miscellaneous

22.13.1 Confidentiality

Information exchanged by Parties in accordance with these Transmission Interconnection Procedures are subject to the Confidentiality provisions set forth in Section 30.13.1 of Attachment X of this ISO OATT, which requirements are incorporated into this Attachment P by reference. The terms “Standard Large Generator Interconnection Agreement,” “Developer,” and “Large Facility Interconnection Procedures” as used in Section 30.13.1 of Attachment X shall include “Transmission Project Interconnection Agreement,” “Transmission Developer,” and “Transmission Interconnection Procedures,” respectively, as those terms are defined in this Attachment P.

22.13.2 Delegation of Responsibility

The ISO may use the services of subcontractors as it deems appropriate to perform its obligations under these Transmission Interconnection Procedures. The ISO shall remain primarily liable to the Transmission Developer for the performance of such subcontractors and compliance with its obligations under these Transmission Interconnection Procedures. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

22.13.3 Obligation for Study Costs and Study Deposits

The ISO shall charge and the Transmission Developer shall pay the actual costs of the Transmission Interconnection Studies incurred by the ISO and Connecting Transmission Owner. If a number of Transmission Interconnection Studies are conducted concurrently as a combined study, each Transmission Developer shall pay an equal share of the actual cost of the combined

study. Any invoices for Transmission Interconnection Studies shall include a detailed and itemized accounting of the cost of each Transmission Interconnection Study. Transmission Developers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. Neither the ISO nor Connecting Transmission Owner shall be obligated to perform or continue to perform any studies unless the Transmission Developer has paid all undisputed amounts in compliance herewith.

22.13.4 Third Parties Conducting Studies

If at the time of the signing of a Transmission Interconnection Study agreement there is disagreement as to the estimated time to complete a Transmission Interconnection Study, then the Transmission Developer may request the ISO to utilize a consultant or other third party reasonably acceptable to the Transmission Developer and the ISO to perform such Transmission Interconnection Study under the direction of the ISO. At other times, the ISO may also utilize a Connecting Transmission Owner or other third party to perform such Transmission Interconnection Study, either in response to a general request of the Transmission Developer, or on its own volition. In all cases, use of a third party shall be in accord with Article 26 (Subcontractors) of the Standard Large Generator Interconnection Agreement located in Attachment X of the ISO OATT and limited to situations where the ISO determines that doing so will help maintain or accelerate the study process for the Transmission Developer's pending Transmission Interconnection Application and not interfere with the ISO's progress on Transmission Interconnection Studies or Interconnection Studies for other pending Transmission Interconnection Applications or Interconnection Requests. In cases where the Transmission Developer requests to use a third party to perform such Transmission Interconnection Study, the Transmission Developer, ISO and Connecting Transmission Owner shall negotiate all of the

pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. The ISO shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Transmission Interconnection Application as soon as practicable upon the Transmission Developer's request subject to the confidentiality provision in Section 22.13.1. In any case, such third party contract may be entered into with either the Transmission Developer or the ISO at the ISO's discretion. If a Transmission Developer enters into a third party study contract, the Transmission Developer shall provide the study to ISO and the Connecting Transmission Owner for review, and such third party study contract shall provide for reimbursement by the Transmission Developer of ISO's and Connecting Transmission Owner's actual cost of participating in and reviewing the study. In the case of (iii) above in this Section 22.13.4, the Transmission Developer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party shall be required to comply with these Transmission Interconnection Procedures, Article 26 (Subcontractors) of the Standard Large Generator Interconnection Agreement located in Attachment X of the ISO OATT, and the relevant ISO OATT procedures and protocols as would apply if the ISO were to conduct the Transmission Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. The ISO and Connecting Transmission Owner shall cooperate with such third party and Transmission Developer to complete and issue the Transmission Interconnection Study in the shortest reasonable time.

22.13.5 Disputes

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with a Transmission Project Interconnection Agreement, these Transmission Interconnection

Procedures, or their performance (a “Dispute”), such Party shall address the Dispute in accordance with the Dispute provisions in Section 30.13.5 of Attachment X of this ISO OATT, which requirements are incorporated into this Attachment P by reference. The terms “Standard Large Generator Interconnection Agreement” (or “LGIA”), “Standard Large Facility Interconnection Procedures” (or “LFIP”), and “Attachment Facilities, Distribution Upgrades or System Upgrades” as used in Section 30.13.5 shall include “Transmission Project Interconnection Agreement,” “Transmission Interconnection Procedures,” and “Network Upgrade Facilities” respectively, as those terms are defined in this Attachment P.

22.13.6 Local Furnishing Bonds and Other Tax-Exempt Financing

22.13.6.1 Connecting Transmission Owners and Affected System Operator(s) that Own Facilities Financed by Local Furnishing Bonds or Other Tax-Exempt Bonds

This provision is applicable only to a Connecting Transmission Owner or Affected System Operator(s) that has financed facilities with tax-exempt bonds including, but not limited to, Local Furnishing Bonds (“Tax-Exempt Bonds”). Notwithstanding any other provision of the Transmission Interconnection Procedures and a Transmission Project Interconnection Agreement, neither the Connecting Transmission Owner nor Affected System Operator shall be required to construct Network Upgrade Facilities, pursuant to the Transmission Interconnection Procedures and a Transmission Project Interconnection Agreement, if such construction would jeopardize the tax-exempt status of any Tax-Exempt Bonds or impair the ability of Connecting Transmission Owner or Affected System Operator(s) to issue future tax-exempt obligations. For purposes of this provision, Tax-Exempt Bonds shall include the obligations of the Long Island Power Authority, NYPA and Consolidated Edison Company of New York, Inc., the interest on which is not included in gross income under the Internal Revenue Code.

Appendix 1
TRANSMISSION INTERCONNECTION APPLICATION

1. The undersigned Transmission Developer submits this request to interconnect its proposed transmission project with the New York State Transmission System pursuant to Section [*] of the NYISO OATT.

2. This Transmission Interconnection Application is submitted by:

Name of Transmission Developer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

3. Name of project: _____

4. Description of proposed project:

a. Description of proposed Point(s) of Interconnection (*i.e.*, name of existing substation or line to which the project proposes to interconnect):

b. General description of the equipment configuration and kV level:

c. Attach a conceptual breaker one-line diagram (*i.e.*, breaker-level details for proposed elements along with high-level depiction of proposed interconnection with existing system)

- d. Technical data/parameters: [to be provided as attachment to initial study agreement]
- e. In-Service Date (Month and Year): _____
- f. Name, title, company address, telephone number, and e-mail address of the Transmission Developer's contact person:

24 Attachment R - Cost Allocation and Measurement and Verification Methodologies for Demand Reductions Arising Under the Incentivized Day-Ahead Economic Load Curtailment Program

Under the Incentivized Day-Ahead Economic Load Curtailment Program – also referred to in the ISO Tariffs and ISO Procedures as the Day-Ahead Demand Response Program – (“Program” or “DADRP”), costs incurred by the ISO in covering Demand Reduction Providers’ Curtailment Initiation Costs and making Demand Reduction Incentive Payments for scheduled and verified Demand Reductions are to be recovered under Schedule 1. Measurement and verification of actual Demand Reductions scheduled under the Program shall be conducted in accordance with subsections 24.2, 24.3, and 24.4.

24.1 Cost Allocation Methodology for Payments to Demand Reduction Providers under the Program Recovered Pursuant to Schedule 1

The “Schedule 1 Program Costs” for scheduled and verified Demand Reductions shall be allocated to Transmission Customers, pursuant to the methodology set forth below, on the basis of their Load Ratio Shares and in proportion to the probability, given historical transmission congestion patterns, that a particular Demand Reduction will benefit them by reducing Energy costs in their Load Zones or “Composite Load Zones” (see below).

More specifically, Schedule 1 Program Costs shall be allocated to Transmission Customers each Billing Period as follows:

- a) Schedule 1 Program Costs shall initially be attributed to the Load Zone where the Generator Bus that was used to bid the Demand Reduction associated with them is located.
- b) In determining whether and how Transmission Customers located in particular Load Zones, or Composite Load Zones, have benefited from the Demand

Reduction, and how much they shall be required to pay a share of the associated Schedule 1 Program Costs, the ISO shall account for the effects of congestion at the most frequently constrained NYCA interfaces. When none of these interfaces are constrained Transmission Customers in all Load Zones shall be deemed to have benefited from the Demand Reduction and shall pay a share of the associated Schedule 1 Program Costs. When one or more of the most frequently constrained NYCA interfaces is constrained, then Transmission Customers located in a Load Zone, or Composite Load Zone, that is upstream of the constrained interface, shall be deemed to have benefited from an upstream Demand Reduction and shall be required to pay a share of the associated Schedule 1 Program Costs. Similarly, when one or more of the interfaces is congested, Transmission Customers located in a Load Zone, or Composite Load Zone, that is downstream of a constrained interface, shall be deemed to have benefited from a downstream Demand Reduction and shall be required to pay a share of the associated Schedule 1 Program Costs. By contrast, Transmission Customers that are “separated” from a Demand Reduction by a constrained interface shall be deemed not to have benefited from it and shall not be required to pay a share of the associated Schedule 1 Program Costs.

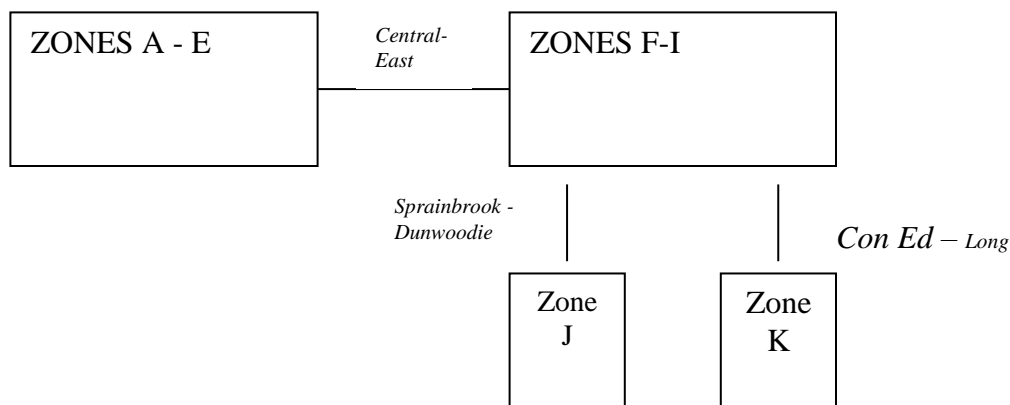
- c) The ISO shall determine the extent of congestion at the most frequently constrained interfaces using a series of equations that calculate the static probability that: (i) no constraints existed in the transmission system serving the Load Zone or Composite Load Zone; (ii) the Composite Load Zone was upstream of a constraint and curtailment pursuant to the Program occurred upstream, and

(iii) the Composite Load Zone was downstream of a constraint and curtailment pursuant to the Program occurred downstream.

Costs shall be allocated to each Transmission Customer that is deemed to have benefited from the scheduled and verified Demand Reduction on a Load Ratio Share basis, using Real-Time metered hourly Load data.

- d) The three most frequently constrained interfaces are currently the “Central-East” interface, which divides western from eastern New York State, the Sprainbrook-Dunwoodie interface, which divides New York City and Long Island from the rest of New York State, and the Consolidated Edison Company (“ConEd”) - Long Island interface (including the Y49/Y50 lines), which divides New York City from Long Island. Given these limiting interfaces, four Composite Load Zones currently exist, *i.e.*, West of Central-East (Load Zones A, B, C, D, E), East Upstate Excluding New York City and Long Island (Load Zones F, G, H, I), New York City (Load Zone J), and Long Island (Load Zone K). The geographic configuration of these Composite Load Zones is depicted in the illustration below.

Relationship Between Frequently Constrained Interfaces and Composite Load Zones



Based on these factors, Schedule 1 Program Costs shall be allocated to Transmission Customers as follows:

For Transmission Customer m in Load Zones A-E:

$$\begin{aligned}
 a_1 & * (\text{cost}_A + \dots + \text{cost}_K) * \text{load}_m / (\text{load}_A + \dots + \text{load}_K) + && \text{'no constraints} \\
 a_2 & * (\text{cost}_A + \dots + \text{cost}_E) * \text{load}_m / (\text{load}_A + \dots + \text{load}_E) + && \text{'Central East const} \\
 a_3 & * (\text{cost}_A + \dots + \text{cost}_I + \text{cost}_K) * \text{load}_m / (\text{load}_A + \dots + \text{load}_I + \text{load}_K) + && \text{'NYC constraint} \\
 a_4 & * (\text{cost}_A + \dots + \text{cost}_J) * \text{load}_m / (\text{load}_A + \dots + \text{load}_J) + && \text{'LI constraint} \\
 a_5 & * (\text{cost}_A + \dots + \text{cost}_E) * \text{load}_m / (\text{load}_A + \dots + \text{load}_E) + && \text{'Cent East + NYC} \\
 a_6 & * (\text{cost}_A + \dots + \text{cost}_E) * \text{load}_m / (\text{load}_A + \dots + \text{load}_E) + && \text{'Cent East + LI} \\
 a_7 & * (\text{cost}_A + \dots + \text{cost}_I) * \text{load}_m / (\text{load}_A + \dots + \text{load}_I) + && \text{'NYC + LI} \\
 a_8 & * (\text{cost}_A + \dots + \text{cost}_E) * \text{load}_m / (\text{load}_A + \dots + \text{load}_E) && \text{'Cent East + NYC + LI}
 \end{aligned}$$

For Transmission Customer m in Load Zones F-I:

$$\begin{aligned}
 a_1 & * (\text{cost}_A + \dots + \text{cost}_K) * \text{load}_m / (\text{load}_A + \dots + \text{load}_K) + && \text{'no constraints} \\
 a_2 & * (\text{cost}_F + \dots + \text{cost}_K) * \text{load}_m / (\text{load}_F + \dots + \text{load}_K) + && \text{'Central East const} \\
 a_3 & * (\text{cost}_A + \dots + \text{cost}_I + \text{cost}_K) * \text{load}_m / (\text{load}_A + \dots + \text{load}_I + \text{load}_K) + && \text{'NYC constraint} \\
 a_4 & * (\text{cost}_A + \dots + \text{cost}_J) * \text{load}_m / (\text{load}_A + \dots + \text{load}_J) + && \text{'LI constraint} \\
 a_5 & * (\text{cost}_F + \dots + \text{cost}_I + \text{cost}_K) * \text{load}_m / (\text{load}_F + \dots + \text{load}_I + \text{load}_K) + && \text{'Cent East + NYC} \\
 a_6 & * (\text{cost}_F + \dots + \text{cost}_J) * \text{load}_m / (\text{load}_F + \dots + \text{load}_J) + && \text{'Cent East + LI} \\
 a_7 & * (\text{cost}_A + \dots + \text{cost}_I) * \text{load}_m / (\text{load}_A + \dots + \text{load}_I) + && \text{'NYC + LI} \\
 a_8 & * (\text{cost}_F + \dots + \text{cost}_I) * \text{load}_m / (\text{load}_F + \dots + \text{load}_I) && \text{'Cent East + NYC + LI}
 \end{aligned}$$

For Transmission Customer m in Load Zone J:

$$\begin{aligned}
 a_1 & * (\text{cost}_A + \dots + \text{cost}_K) * \text{load}_m / (\text{load}_A + \dots + \text{load}_K) + && \text{'no constraints} \\
 a_2 & * (\text{cost}_F + \dots + \text{cost}_K) * \text{load}_m / (\text{load}_F + \dots + \text{load}_K) + && \text{'Central East const} \\
 a_3 & * \text{cost}_J * \text{load}_m / \text{load}_J + && \text{'NYC constraint} \\
 a_4 & * (\text{cost}_A + \dots + \text{cost}_J) * \text{load}_m / (\text{load}_A + \dots + \text{load}_J) + && \text{'LI constraint} \\
 a_5 & * \text{cost}_J * \text{load}_m / \text{load}_J + && \text{'Cent East + NYC} \\
 a_6 & * (\text{cost}_F + \dots + \text{cost}_J) * \text{load}_m / (\text{load}_F + \dots + \text{load}_J) + && \text{'Cent East + LI} \\
 a_7 & * \text{cost}_J * \text{load}_m / \text{load}_J + && \text{'NYC + LI} \\
 a_8 & * \text{cost}_J * \text{load}_m / \text{load}_J && \text{'Cent East + NYC + LI}
 \end{aligned}$$

For Transmission Customer m in Load Zone K:

$$\begin{aligned}
 a_1 & * (\text{cost}_A + \dots + \text{cost}_K) * \text{load}_m / (\text{load}_A + \dots + \text{load}_K) + && \text{'no constraints} \\
 a_2 & * (\text{cost}_F + \dots + \text{cost}_K) * \text{load}_m / (\text{load}_F + \dots + \text{load}_K) + && \text{'Central East const} \\
 a_3 & * (\text{cost}_A + \dots + \text{cost}_I + \text{cost}_K) * \text{load}_m / (\text{load}_A + \dots + \text{load}_I + \text{load}_K) + && \text{'NYC constraint} \\
 a_4 & * \text{cost}_K * \text{load}_m / \text{load}_K + && \text{'LI constraint} \\
 a_5 & * (\text{cost}_F + \dots + \text{cost}_I + \text{cost}_K) * \text{load}_m / (\text{load}_F + \dots + \text{load}_I + \text{load}_K) + && \text{'Cent East + NYC} \\
 a_6 & * \text{cost}_K * \text{load}_m / \text{load}_K + && \text{'Cent East + LI} \\
 a_7 & * \text{cost}_K * \text{load}_m / \text{load}_K + && \text{'NYC + LI} \\
 a_8 & * \text{cost}_K * \text{load}_m / \text{load}_K && \text{'Cent East + LI + NYC}
 \end{aligned}$$

In all cases, the variables are:

- a₁ = fraction of time when no constraints exist
- a₂ = fraction of time when Central East interface alone is constraining
- a₃ = fraction of time when Sprainbrook-Dunwoodie interface alone is constraining

- a_4 = fraction of time when Con Ed-Long Island (including the Y49/Y50 lines) interfaces are constraining, but Central East and Sprainbrook-Dunwoodie interfaces are not constraining
- a_5 = fraction of time when Central East and Sprainbrook-Dunwoodie interfaces are constraining
- a_6 = fraction of time when Central East, Con Ed-Long Island interfaces (including the Y49/Y50 lines) are constraining
- a_7 = fraction of time when Sprainbrook-Dunwoodie, Con Ed-Long Island interfaces (including the Y49/Y50 lines) are constraining
- a_8 = fraction of time when Central East, Sprainbrook-Dunwoodie, Con Ed-Long Island interfaces (including the Y49/Y50 lines) are constraining
- $cost_{A...K}$ = revenue deficiencies due to DADRP Demand Reductions in Load Zones A...K, calculated on a hourly basis
- $load_m$ = real-time Load for Transmission Customer m, calculated on an hourly basis
- $load_{A...K}$ = real-time Loads for all Transmission Customers in Load Zones A...K, calculated on an hourly basis

24.2 Measurement of Actual Demand Reduction Scheduled in the Program

The measured amount of Demand Reduction supplied by a Demand Reduction Provider under the Program shall be the difference between the Demand Reduction Provider's baseline load for each scheduled hour, which shall be calculated in accordance with section 24.2.1 and ISO Procedures, and the actual metered hourly load for each scheduled hour.

24.2.1 Methodology for the Calculating the Economic Customer Baseline Load for a Resource Scheduled to Reduce Load Under the Program

The ISO shall employ two different calculation methodologies of the Economic Customer Baseline Load ("ECBL") for scheduled Demand Reductions, depending on whether the Demand Reduction is scheduled on a weekend or a weekday.

24.2.1.1 Definitions

Adjusted Weekday ECBL: For each hour of the scheduled Demand Reduction, the Adjusted Weekday ECBL shall be equal to the ECBL multiplied by the ECBL In-Day Adjustment Factor calculated for the scheduled Demand Reduction period.

ECBL In-Day Adjustment Factor: The ECBL In-Day Adjustment shall be an adjustment factor that is applied to the ECBL for each hour of the scheduled Demand Reduction period.

- a) Calculate the ECBL In-Day Adjustment by dividing the average of the metered load for the two hours of the ECBL In-Day Adjustment Period on the day of the scheduled Demand Reduction by the average of the ECBL for the same two hours.
- b) The ECBL In-Day Adjustment Factor shall be limited to a minimum of 0.8 and a maximum of 1.2.

ECBL In-Day Adjustment Period: The ECBL Adjustment Period is the time prior to the scheduled Demand Reduction period that is used to determine the ECBL In-Day Adjustment. The hours to be used in the ECBL Adjustment Period shall be the two consecutive hours that occur four hours prior to the first hour of the scheduled Demand Reduction period, provided that the hours are part of the same calendar day.

To determine the two hours of the ECBL In-Day Adjustment Period:

- a) The fourth hour before the first hour of the scheduled Demand Reduction period shall be the first hour of the ECBL In-Day Adjustment Period, except when the fourth hour before first hour of the scheduled Demand Reduction period occurs on the previous day.
- b) The third hour before the first hour of the scheduled Demand Reduction period shall be the second hour of the ECBL In-Day Adjustment Period, except when the third hour before the first hour of the scheduled Demand Reduction period occurs on the previous day.

- c) When the third and/or fourth hour of the ECBL In-Day Adjustment Period occurs on the previous day, the ISO shall use as a substitute the hour beginning midnight on the day of the scheduled Demand Reduction. Both hours of the ECBL In-Day Adjustment Period may equal the hour beginning midnight on the day of the scheduled Demand Reduction.

ECBL Weekday Window: The ECBL Weekday Window is the time period reviewed in determining the ECBL for any hour of scheduled Demand Reduction that takes place on a weekday. It shall consist of the hours from the previous ten weekdays that correspond to each hourly interval of the scheduled Demand Reduction period. Treatment of NERC holidays that occur on weekdays shall be equivalent to all hours scheduled on the NERC holiday.

ECBL Weekend Window: The ECBL Weekend Window is the time period reviewed in determining the ECBL for any hour of scheduled Demand Reduction that takes place on a weekend. It shall consist of the hours from the previous three weekend days of the same type (Saturday or Sunday) that correspond to each hourly-interval of the scheduled Demand Reduction period. Treatment of NERC holidays that occur on weekend days shall be equivalent to all hours scheduled on the NERC holiday.

Weekday Proxy: The Weekday Proxy is a value that is substituted for the metered load for any hour in any ECBL Weekday Window in which a Demand Reduction was scheduled. It shall be determined by (1) establishing a new ECBL Weekday Window for that hour consisting of the corresponding hours in the ten weekdays preceding the day the Demand Reduction occurred, and (2) repeating the steps described at section 24.2.1.2 b, c, d, and e.

Weekend Proxy: The Weekend Proxy is a value that is substituted for the metered load for any hour in any ECBL Weekend Window in which a Demand Reduction was scheduled. It shall be

determined by (1) establishing a new ECBL Weekend Window for that hour consisting of the corresponding hours in the three weekends preceding the day the Demand Reduction occurred, and (2) repeating the steps described at section 24.2.1.2 b, c, d, and e.

24.2.1.2 Methodology for the Calculating the Economic Customer Baseline Load for Demand Reductions Scheduled on a Weekday

To determine the ECBL for an hour of scheduled Demand Reduction (a “Target Hour”) that occurs on a weekday:

- a) Select the hours that comprise the ECBL Weekday Window for that Target Hour.
- b) Select the metered load value for each hour in the ECBL Weekday Window where no scheduled Demand Reduction occurred pursuant to this Program.
- c) For each hour of the ECBL Weekday Window where a scheduled Demand Reduction occurred, select the Weekday Proxy for that hour and day in place of the actual metered load for that hour.
- d) Rank in descending order the metered load and Weekday Proxy values determined in steps b and c.
- e) Calculate the average of the fifth and sixth ranked values. The value as so calculated shall be the ECBL for the Target Hour.
- f) Apply the ECBL In-Day Adjustment Factor to the ECBL to determine the Adjusted Weekday ECBL for the Target Hour.

24.2.1.3 Methodology for the Calculating the Economic Customer Baseline Load for a Resource’s Demand Reduction Scheduled Under the Program on a Weekend

To determine the ECBL for a Target Hour that occurs on a weekend:

- a) Select the hours that comprise the ECBL Weekend Window for the Target Hour.

- b) Select the metered load value for each hour in the ECBL Weekend Window where no scheduled Demand Reduction occurred pursuant to this Program.
- c) For each hour of the ECBL Weekend Window where a Scheduled Demand Reduction occurred, select the ECBL Weekend Proxy for that hour and day in place of the actual metered load for the hour.
- d) Rank in descending order the metered load and ECBL Weekend Proxy values determined in steps b and c.
- e) Calculate the average of the metered load and ECBL Proxy values. The value so calculated is the ECBL for the Target Hour.
- f) Apply the ECBL In-Day Adjustment Factor to the ECBL to calculate the Adjusted Weekend ECBL for the Target Hour.

24.3 Verification of Actual Demand Reduction Scheduled in the Program

Demand Reduction calculated using the Economic Customer Baseline Load methodology is subject to verification by the ISO. Demand Reduction Providers shall report the data at the time and in the format required by the ISO pursuant to Section 24.4. If a Demand Reduction Provider fails to report the required data to the ISO in accordance with Section 24.4, the Demand Reduction Provider will be subject to penalties associated with a failure to supply the scheduled Demand Reductions and may lose its eligibility to participate in the Program. All Demand Reduction data are subject to audit by the ISO. If the ISO determines that it has made an erroneous payment to a Demand Reduction Provider, it shall have the right to recover it either by reducing other payments to that Demand Reduction Provider or by any other lawful means.

24.4 Data Reporting Requirements for Demand Reduction Providers

The Demand Reduction Provider must submit to the ISO the information specified in this

Section 24.4 for each Demand Side Resource that it has enrolled either as an individual DADRP resource or with other Demand Side Resources as part of a single, aggregated DADRP resource. The Demand Reduction Provider must submit this information for the purpose of enrolling, registering, making settlements, and verifying the participation of each Demand Side Resource in the ISO's Energy market. To enroll and participate in the DADRP, a Demand Side Resource must have NYPSC-approved, revenue-quality, hourly-interval meters sufficient to calculate its net Load. If the Demand Side Resource has a Local Generator at its site, it must also have an hourly-interval meter that measures the total output of the Local Generator within a 2% accuracy threshold, regardless of whether at initial enrollment the Local Generator is intended to be used to provide Demand Reduction in the DADRP.

24.4.1 Data Reporting Requirements for Enrollment of Demand Side Resources Participating as DADRP Resources

The Demand Reduction Provider shall provide to the ISO the following information for each Demand Side Resource that is seeking to enroll, either individually or collectively with other Demand Side Resources, as a DADRP resource participating in the ISO's Energy market, which shall include providing information regarding each of the Demand Side Resource's interval meters required under Section 24.4:

- a. As-left meter test criteria, as prescribed in the New York Department of Public Service 16 NYCRR Part 92 Operating Procedure;
- b. Documentation to validate installation of interval meter equipment;
- c. Interval metering installation individual, company, and professional engineering license information;
- d. Make and model of installed interval metering device(s);
- e. Accuracy of installed interval metering device(s);

- f. Interval meter Current Transformer (CT) and Potential Transformer (PT) type designation, if applicable;
- g. CT Ratio, if applicable;
- h. Use of pulse data recorder as an interval metering device, if applicable;
- i. Pulse data recorder multiplier, if applicable;
- j. Any other type of meter multiplier used in the translation of data collected by the device for measuring demand, kWh, and/or MWh, if applicable;
- k. Its service address;
- l. Its Load Serving Entity;
- m. Its Transmission Owner;
- n. Its meter authority/Meter Data Service Provider;
- o. Demand Side Resource's maximum Winter and Summer reduction MW;
- p. Business classification of the Demand Side Resource (based on ISO-defined categories or national standards for business classification); and
- q. A description of any Local Generator at its site, including the Local Generator's system, its primary fuel type, the year in which it was built, the year of any retrofit, its nameplate capacity, and its horsepower, if applicable.

24.4.2 Data Reporting Requirements for Verification of Energy Reductions of DADRP Resources Scheduled in the ISO's Energy Market

The meter authority or Meter Data Service Provider of the Demand Reduction Provider shall provide the ISO with the following required data from each interval meter required under Section 24.4 for each Demand Side Resource that is registered, either individually or collectively with other Demand Side Resources, as a DADRP resource, to verify the scheduled Load reduction of a DADRP resource in the ISO's Energy market:

- a) Totalized net hourly Load reduction data of the DADRP resource (*i.e.*, the net hourly Load reduction data totalized across all Demand Side Resources that are registered, either individually or collectively with other Demand Side Resources, as a DADRP resource) for the period of the scheduled Load reduction of the DADRP resource in the format required for reporting to the ISO's Settlement Data Exchange application;
- b) Hourly-interval metered Load data for each of the individual Demand Side Resources that is registered as part of a single DADRP resource, for all hours of the day on the days of the scheduled Load reduction of the DADRP resource; and
- c) Hourly-interval metered Load data for each of the individual Demand Side Resources that is registered as part of a single DADRP resource, for all hours of each of the thirty days preceding the day in which the DADRP resource is scheduled.

The meter authority or Meter Data Service Provider of the Demand Reduction Provider shall comply with the following when reporting Demand Reduction metering data to the ISO:

- a) Section 7.4.1 of the ISO Services Tariff;
- b) Section 13 of the ISO Services Tariff; and
- c) The ISO's Meter Data Management Protocols as provided on the ISO's website.

24.4.3 Additional Data Required Upon Request

To verify the participation of each Demand Side Resource that is enrolled, either individually or collectively with other Demand Side Resources, as a DADRP resource in the ISO's Energy market, Demand Reduction Providers and/or their meter authority/Meter Data Service Provider shall provide the ISO upon the ISO's request such additional information that

may be required, including, but not limited, to the following:

- a) Any data reporting requirements of Attachments H and O to the ISO Services Tariff;
- b) Any data reporting requirements of Section 3.4 of the ISO Services Tariff;
- c) Historical Load documentation;
- d) Load data history for Pre- and Post-Validation, Edit and Estimation (VEE);
- e) Up to three months of historical Load data when enrolling a Demand Side Resource to participate in the ISO's Energy market;
- f) New and existing metering documentation, including, but not limited to:
 - 1. Calibration records;
 - 2. Time check;
 - 3. Sum check;
 - 4. High/Low check; and
 - 5. Zero value check.

**37 Attachment EE – Coordination Agreement Between ISO New England Inc. and
The New York Independent System Operator, Inc.**

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ATTACHMENT A

TO THE EMERGENCY ENERGY TRANSACTIONS SCHEDULE

EMERGENCY ENERGY PRICING

THIS AGREEMENT was made the 1st day of January 2006 and is hereby restated on the 1st day of August 2017

BETWEEN:

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC., a not-for-profit corporation established under the laws of New York State, hereinafter called the "NYISO".

and

ISO NEW ENGLAND INC., a not-for-profit, private corporation established under the laws of the State of Delaware, hereinafter called "ISO-NE".

RECITALS

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings ascribed to them in Section 1.0 hereof;

WHEREAS, ISO-NE and the NYISO are sometimes hereinafter referred to, collectively, as the "Parties" and, individually, as a "Party";

WHEREAS, the NYISO is an independent, not-for-profit corporation established pursuant to the ISO Agreement, responsible for providing transmission service, maintaining the Reliability of the electric power system and facilitating efficient markets for capacity, energy and ancillary services in the New York Balancing Authority Area in accordance with its filed NYISO Tariffs;

WHEREAS, ISO-NE is a not-for-profit, independent corporation that serves as the RTO for New England, in which capacity it operates New England's wholesale electricity markets, manages a comprehensive regional bulk power system planning process and is responsible for the day-to-day reliable operation of New England's bulk power system;

WHEREAS, ISO-NE, as RTO for the New England Transmission System and administrator of the New England markets, and the NYISO as the ISO for the New York Transmission System, enter into coordination agreements and operating arrangements with the operators of neighboring Reliability Coordinator Areas and Balancing Authority Areas, and coordinate system operation and Emergency procedures with neighboring Reliability Coordinator Areas and Balancing Authority Areas;

WHEREAS, the NYISO and ISO-NE desire to coordinate interconnected operation to maintain Reliability for both of the power systems of New York State and the New England States, recognizing the Parties' desire to maximize interconnected capability under the terms and conditions contained in this Agreement; and

WHEREAS, related to the Interconnection Facilities:

- A. ISO-NE is the Reliability Coordinator, Balancing Authority, Transmission Operator, market operator, and Planning Authority for the six New England States

and operates and is responsible for the secure operation of the New England Transmission System in accordance with its Transmission Operating Agreements with New England Transmission Owners and in compliance with the FERC-accepted ISO-NE Tariff, and the requirements and criteria set forth by NERC or NPCC and, as such, has the power and authority to enter into this Agreement and perform its obligations under it;

- B. NYISO is the Reliability Coordinator, Balancing Authority, Transmission Operator, market operator, and Planning Authority for New York State and operates and is responsible for the secure operation of the New York Transmission System in accordance with its Transmission Operating Agreements with New York Transmission Owners and in compliance with the FERC-accepted New York Independent System Operator Agreement (“ISO Agreement”), the Agreement Between New York Independent System Operator and Transmission Owners (“ISO/TO Agreement”), the Agreement Between New York Independent System Operator and the New York State Reliability Council (“ISO/NYSRC Agreement”), NYISO Tariffs, and the requirements and criteria set forth by NERC, NPCC and the NYSRC and, as such, has the power and authority to enter into this Agreement and perform its obligations under it; and
- C. The New England Transmission System and the New York Transmission System interconnect by way of the Interconnection Facilities, which are described in Schedule A of this Agreement; and
- D. The Parties wish to record their agreement as to the operational and other matters addressed herein and pertaining to the Interconnection Facilities; and

WHEREAS the Parties desire to manage the operational aspects of their interconnected operations by developing, administering and implementing practices, procedures and sharing information relating to Reliability coordination and power system operation that will be managed and approved by a committee formed under this Agreement;

NOW, THEREFORE, THIS AGREEMENT WITNESSES THAT in consideration of the mutual agreements and obligations between the Parties and for other good and valuable consideration ISO-NE and the NYISO agree as follows:

ARTICLE 1.0: DEFINITIONS

In this Agreement, the following words and terms shall have the meanings (such meanings to be equally applicable to both the singular and the plural forms) ascribed to them in this Article 1.0.

“Adequacy” means the ability of the electric system to supply the aggregate electrical demand and energy requirements of the end-use customers at all times, taking into account scheduled and reasonably expected unscheduled outages of system elements.

“Agreement” means this Agreement and the Schedule(s) attached hereto and incorporated herein.

“Balancing Authority” means the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

“Balancing Authority Area” means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

“Confidential Information” has the meaning stated in Section 6.5 of this Agreement.

“Confirmed Trust Relationship” means that one Responsible Settlement Party has granted another Responsible Settlement Party permission to confirm, modify or withdraw its CTS Interface Bids.

“Control Area” means an electric system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (1) match, at all times, the power output of the Generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the Load within the electric power system(s); (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice and the criteria of the applicable regional reliability council or the North American Electric Reliability Corporation; and (4) provide sufficient capacity to maintain Operating Reserves in accordance with Good Utility Practice.

“Coordination Committee” means the jointly constituted ISO-NE and NYISO committee established to administer the terms and provisions of this Agreement pursuant to Article 7.0 of this Agreement.

“Coordinated Transaction Scheduling” or “CTS” means an external transaction scheduling process between the NYCA and NECA in which Market Participants’ bids, to buy energy in one region and sell in another region, are economically and simultaneously cleared by ISO-NE and NYISO. This process takes place pursuant to market rules in the Parties’ respective tariffs that allow transactions to be scheduled over a CTS Enabled Interface based on a bidder’s willingness to purchase energy from the NYCA or NECA (the source) and sell it to the other Control Area

(the sink) if the bid price is less than or equal to the expected LMP difference across the interface in the requested direction, as of the time the interface is scheduled.

“CTS Enabled External Proxy Bus” shall mean an External Proxy Bus at which the Parties accept CTS Interface Bids to schedule external transactions in the real-time energy market.

“CTS Enabled Interface” means an Interconnection at which the Parties accept CTS Interface Bids for all import offers, for all export bids, and for wheels through the NECA. The CTS Enabled Interfaces are specified in Section 4.4.4 of the NYISO’s Market Administration and Control Area Services Tariff and in Section III.1.10.7.A of the ISO-NE Tariff.

“CTS Interface Bid” means: (1) in ISO-NE, an Interface Bid as defined in the ISO-NE Tariff, and an hourly spread bid associated with the wheeling of energy through the NECA, and (2) in NYISO, a CTS Interface Bid as defined in the NYISO Tariff.

“Delivery Point” means a point on each of the three Interconnections between the New England Balancing Authority Area and the NYISO Balancing Authority Area and such other points of Interconnection as may be established. Such Delivery Point(s) shall include the Interconnection Facilities between ISO-NE and the NYISO.

“Dispute” has the meaning attributed thereto in Article 19.0 of this Agreement.

“Effective Date” means the reference date of this Agreement as shown on the first page of this Agreement.

“Emergency” means any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the Reliability of the Bulk Electric System (as defined by NERC).

“Emergency Energy” means energy supplied from Operating Reserve or electrical generation available for sale in New York or New England or available from another Balancing Authority Area. Emergency Energy may be provided in cases of sudden and unforeseen outages of generating units, transmission lines or other equipment, or to meet other sudden and unforeseen circumstances such as forecast errors, or to provide sufficient Operating Reserve. Emergency Energy is provided pursuant to this Agreement and priced according to Attachment A of Schedule C of this Agreement.

“External Interface Congestion” means the portion of the congestion component of the LMP at an External Proxy Bus that is associated with an External Proxy Bus Constraint.

“External Proxy Bus” means a location that is selected to represent an Interconnection with a Party’s Control Area for which LMPs are calculated. In NYISO, this is a Proxy Generator Bus as defined in the NYISO Services Tariff. In ISO-NE, this is an External Node as defined in the ISO-NE Tariff.

“External Proxy Bus Constraint” has the meaning set forth in Section 4.2 of Schedule D to this Agreement.

“FERC” means the Federal Energy Regulatory Commission.

“Force Majeure” means an event of force majeure as described in Section 13.1 of this Agreement.

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the North American electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result consistent with good business practices, Reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted by NERC and the FERC.

“Intentional Wrongdoing” means an act or omission taken or omitted by a Party with knowledge or intent that injury or damage could reasonably be expected to result.

“Interconnection” means a connection(s) between two or more individual Transmission Systems that have interconnecting Intertie(s).

“Interconnection Facilities” means the Interconnections described in Schedule A.

“Interconnection Reliability Operating Limit” or “IROL” means a System Operating Limit that, if violated, could lead to instability, uncontrolled separation, or Cascading Outages (as defined by NERC) that adversely impact the reliability of the Bulk Electric System.

“Intertie” means a transmission line that forms part of an Interconnection.

“ISO” means independent system operator, as designated by FERC.

“ISO Agreement” means the agreement that establishes the NYISO.

“ISO-NE Supply Price Points” means a set of increasing MW and price pairs, as described in Section 3 of Schedule D.

“ISO-NE Tariff” means the ISO New England Inc. Transmission, Markets and Services Tariff, which includes the ISO-NE Open Access Transmission Tariff and ISO-NE market rules.

“Locational Marginal Price” or “LMP” shall mean the market price for energy at a given location in a Party’s Control Area, calculated in accordance with the requirements of the Party’s tariff, and “Locational Marginal Pricing” shall mean the processes related to the determination of the LMP.

“Market Participant” means a participant in either the ISO-NE- or NYISO-administered wholesale power markets. Market Participants include transmission service customers, power exchanges, Transmission Owners, load serving entities, loads, holders of energy derivatives, generators and other power suppliers and their designated agents.

“Metered Quantity” means apparent power, reactive power, active power, with associated time tagging and any other quantity that may be measured by a Party’s Metering Equipment and that is reasonably required by either Party for Security reasons or revenue requirements.

“Metering Equipment” means the potential transformers, current transformers, meters, interconnecting wiring and recorders used to meter any Metered Quantity.

“Mutual Benefits” as described in Article 3.0 of this Agreement, means the transient and steady-state support that the integrated generation and transmission facilities in the New England and New York Transmission Systems provide to each other inherently by virtue of being interconnected.

“NERC” means the North American Electric Reliability Corporation or the successor organization.

“New England Control Area” or “NECA” is the Control Area for New England as defined in the ISO-NE Tariff.

“New England Transmission System” for the purpose of this Agreement means the entire system of transmission facilities, within the New England Reliability Coordinator Area and Balancing Authority Area that are under ISO-NE’s operational jurisdiction, as defined in Transmission Operating Agreements and the ISO-NE Tariff.

“New York Control Area” or “NYCA” means the Control Area that is under the operational control of the NYISO, as defined in the NYISO Tariffs.

“New York State Reliability Council” or “NYSRC” means the organization that promotes and preserves the Reliability of electric service on the New York Transmission System by developing and maintaining NYSRC Reliability Rules which are complied with by the NYISO, and for monitoring and assuring compliance with such rules.

“New York Transmission System” for the purpose of this Agreement means the “NYS Transmission System” as that term is defined in the NYISO OATT.

"NPCC" means the Northeast Power Coordinating Council Inc. or its successor organization.

“NPCC Criteria, Guides and Procedures” are documents, or the successor of these documents, that contain the Reliability Standards of the NPCC and which detail the principles of interconnected planning and operations that define and direct the efforts of the NPCC and its members. These documents are essential to maintaining the Security, Adequacy, Reliability and efficient operation of the interconnected bulk power supply system of NPCC members.

“NYISO Open Access Transmission Tariff” or “NYISO OATT” means the NYISO Open Access Transmission Tariff accepted by FERC.

“NYISO Services Tariff” means the NYISO Market Administration and Control Area Services Tariff accepted by FERC.

“NYISO Tariffs” means the NYISO OATT and the NYISO Services Tariff, collectively.

“NYSRC Reliability Rules” means the rules applicable to the operation of the New York Transmission System by the NYISO. These rules are based on Reliability Standards adopted by NERC and NPCC, but also include more specific and more stringent rules to reflect the particular requirements of the New York Transmission System.

“Operating Instructions” means the joint operating procedures, steps, and instructions that are to be utilized by both Parties for the operation of the Interconnection Facilities established and modified from time to time by the Coordination Committee in accordance with (a) the ISO-NE Tariff and the NYISO Tariffs, (b) Schedule B of this Agreement and (c) the ISO-NE and NYISO individual procedures and processes. Operating Instructions are separate from the ISO-NE and NYISO individual procedures and processes.

“Operating Reserve” means: (1) in ISO-NE, an Operating Reserve as defined in Section I.2.2 of the ISO-NE Tariff, and (2) in NYISO, an Operating Reserve as defined in Section 2.2 of the NYISO Services Tariff. For purposes of Schedule D to this Agreement, 10-minute Operating Reserve is considered a higher quality product than 30-minute Operating Reserve.

“Operational Control” for the purpose of this Agreement, means Security monitoring, adjustment of generation and transmission resources, coordinating and approval of changes in transmission status for maintenance, determination of changes in transmission status for Reliability, coordination with other Balancing Authority Areas and Reliability Coordinators, voltage reductions and load shedding, except that each legal owner of generation and transmission resources continues to physically operate and maintain its own facilities.

“Parties” means ISO-NE and NYISO, and “Party” means either one of them.

“Planning Authority” means the responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.

“Ramp Limit” means, for purposes of Schedule D to this Agreement, either: (1) the maximum allowable amount of change in net interchange at a CTS Enabled Interface over a defined period of time, established in accordance with Section 5.1 of Schedule D; or (2) the maximum allowable amount of change in net interchange across all NYISO Proxy Generator Buses over a defined period of time, established in accordance with the NYISO Tariffs.

“Real-Time Commitment” or “RTC” means the NYISO’s multi-period security constrained unit commitment and dispatch model, as defined in the NYISO Tariffs.

“Reliability” means the degree of performance of the bulk electric system that results in electricity being delivered within Reliability Standards and in the amount desired. Electric system Reliability can be addressed by considering two basic and functional aspects of electric systems, which are Adequacy and Security.

“Reliability Coordinator” means the entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the Wide Area (as defined by NERC) view of the Bulk Electric System, and has the operating tools, processes and

procedures, including the authority, to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.

"Reliability Coordinator Area" means the collection of generation, transmission, and loads within the boundaries of the Reliability Coordinator. Its boundary coincides with one or more Balancing Authority Areas.

"Reliability Standards" means the criteria, standards and requirements relating to Reliability established by a Standards Authority.

"Responsible Settlement Party" or "RSP" means a Market Participant that is responsible for the financial settlement of one or more transactions at a CTS Enabled Interface, as determined in accordance with the requirements of the Parties' respective tariffs that address the settlement of external transactions at CTS Enabled Interfaces.

"RTO" means a regional transmission organization, as designated by FERC.

"Schedule" means a schedule attached to this Agreement and all amendments, attachments, supplements, replacements and/or additions thereto.

"Security" means the ability of the electric system to withstand sudden disturbances including, without limitation, electric short circuits or unanticipated loss of system elements.

"Standards Authority" means NERC, NPCC, NYSRC or any other agency with authority over either Party regarding standards or criteria relating to the Reliability of Transmission Systems.

"System Operating Limit" means the value (such as MW, MVar, Amperes, Frequency or Volts) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable Reliability criteria. System Operating Limits are based upon certain operating criteria. These include, but are not limited to the following NERC-defined ratings or limits: Facility Ratings (applicable pre- and post-Contingency equipment or facility ratings); Transient Stability Ratings (applicable pre- and post-Contingency Stability Limits); Voltage Stability Ratings (applicable pre- and post-Contingency Voltage Stability); and System Voltage Limits (applicable pre- and post-Contingency Voltage Limits).

"Third Party" means a person or entity that is not a Party to this Agreement.

"Transfer Limit" means the minimum or maximum net interchange that can be scheduled on a CTS Enabled Interface and is established in accordance with Section 5.0 of Schedule D.

"Transmission Operating Agreement(s)" means the respective agreements that establish the terms and conditions under which the Transmission Owners transferred to the NYISO and ISO-NE Operational Control over the Interconnection Facilities. For the NYISO, these agreements are the ISO Agreement, the ISO/TO Agreement, and the ISO/NYSRC Agreement. For ISO-NE, this is the Transmission Operating Agreement, which provides operating authority over certain

Interconnection Facilities (i.e., the NY/NE Northern AC Interconnection and the NNC Interconnection), and Attachment K to Section II of the ISO-NE Tariff, which provides operating authority over other Interconnection Facilities (i.e., the CSC Interconnection).

“Transmission Operator” means the entity responsible for the Reliability of its “local” transmission system, and that operates or directs the operations of the transmission facilities in accordance with applicable Transmission Operating Agreements.

“Transmission Owner” means the entity that owns and maintains transmission facilities.

“Transmission System” means a system for transmitting electricity, and includes any structures, equipment or other facilities used for that purpose.

ARTICLE 2.0: SCOPE OF AGREEMENT

2.1 Restatement of Prior Agreement

The terms of the prior agreement made between the Parties dated January 1, 2006, are hereby amended, restated and superseded by the terms of this Agreement, to be effective on the Effective Date of this Agreement.

2.2 Purpose of This Agreement

This Agreement provides for the reliable operation of the interconnected New England and New York Transmission Systems in accordance with the requirements of the Standards Authority.

This Agreement establishes a structure and framework for the following functions related to the Reliability of interconnected operations between the Parties:

- (a) developing and issuing Operating Instructions and System Operating Limits;
- (b) coordinating operation of their respective Transmission Systems;
- (c) developing and adopting operating criteria and standards;
- (d) conducting operating performance reviews of the Interconnection Facilities;
- (e) considering matters related to transmission service and access;
- (f) implementing each Party's respective NERC and NPCC requirements with regard to the New England Transmission System and New York Transmission System;
- (g) exchanging operations information regarding the Interconnection;
- (h) exchanging information and coordinating regarding system planning;
- (i) providing mutual assistance in an Emergency and during system restoration;
- (j) administering Coordinated Transaction Scheduling; and
- (k) implementing other arrangements between the Parties for the coordination of their systems.

The Parties shall, consistent with NPCC Criteria, Guides and Procedures and the Parties' respective tariffs, rules and standards, including with respect to the NYISO, the NYSRC Reliability Rules, to the maximum extent they deem consistent with the safe and proper operation of their respective Reliability Coordinator Area and Balancing Authority Area and necessary coordination with other interconnected systems, and with the furnishing of dependable and satisfactory service to their own customers, operate their systems in accordance with the following procedures and principles.

ARTICLE 3.0: MUTUAL BENEFITS

3.1 No Charge for Mutual Benefits of Interconnection

Both the New England Transmission System and New York Transmission System, by virtue of being connected to each other and with a much larger Interconnection, share Mutual Benefits such as transient and steady-state support. NYISO and ISO-NE shall not charge one another for such Mutual Benefits.

3.2 Maintenance of Mutual Benefits

The Parties shall endeavor to operate or direct the operation of the Interconnection Facilities to realize the Mutual Benefits. The Parties recognize circumstances beyond their control, such as a result of operating configurations, contingencies, maintenance, or actions by Third Parties, may result in a reduction of Mutual Benefits.

ARTICLE 4.0: INTERCONNECTED OPERATION

4.1 Obligation to Remain Interconnected

The Parties shall at all times during the term of this Agreement operate or direct the operation of their respective Transmission Systems so that they remain interconnected except:

- (a) during the occurrence of an event of Force Majeure which renders a Party unable to remain interconnected;
- (b) when an Interconnection is opened in accordance with the terms of an Operating Instruction;
- (c) when an Interconnection is opened in accordance with Good Utility Practice in a particular circumstance where there is an imminent risk of equipment failure, or of danger to personnel or the public, or a risk to the environment, or risk to the Reliability of a Transmission System that is not anticipated and addressed within an Operating Instruction; or
- (d) during planned maintenance where notice has been given in accordance with outage procedures as implemented by the Coordination Committee.

4.2 Adherence to NPCC Criteria, Guides and Procedures

The Parties are participants in the NPCC and are required to comply with NPCC Criteria, Guides and Procedures. Such NPCC Criteria, Guides and Procedures detail the many coordinating functions carried out by the Parties and this Agreement is intended to enhance this arrangement.

Such NPCC Criteria include, and the Parties agree to comply with, “Emergency Operation Criteria” (Document A-3), which describes the basic factors to be considered by a Reliability Coordinator and Balancing Authority in formulating plans and procedures to be followed in an Emergency. A principle of operation in this NPCC Criterion is that upon receiving a request for assistance to avoid or mitigate an Emergency, a Balancing Authority Area would provide “maximum reasonable assistance” to a neighboring Balancing Authority Area. Such reasonable assistance would not normally require the shedding of firm load.

4.3 Notification of Circumstances

In the event that a component of the Interconnection Facilities is opened or if the transfer capability of a component of the Interconnection Facilities is changed, or if a Party plans to initiate the opening of any component of the Interconnection Facilities, or to change the transfer capability of any component of the Interconnection Facilities, such Party shall immediately provide the other Party with notification indicating the circumstances of the opening or transfer capability change and expected restoration time, in accordance with procedures implemented by the Coordination Committee or applicable NPCC Criteria, Guides and Procedures.

4.4 Compliance with Coordination Committee Direction

ISO-NE shall direct the operation of the New England Transmission System and the NYISO shall direct the operation of the New York Transmission System in accordance with the obligations of their respective tariffs, rules and standards and applicable directions of the Coordination Committee that conform with their respective tariffs, rules and standards, including with respect to the NYISO, the NYSRC Reliability Rules, except where prevented by Force Majeure. The Coordination Committee direction includes decisions and jointly developed and approved Operating Instructions. If decisions or Operating Instructions of the Coordination Committee do not anticipate a particular circumstance, the Parties shall act in accordance with Good Utility Practice.

4.5 Control and Monitoring

Each Party shall provide or arrange for 24-hour control and monitoring of their portion of the Interconnection Facilities.

4.6 Reactive Transfer and Voltage Control

The Parties agree to determine reactive transfers and control voltages in accordance with the provisions of NPCC “Guidelines for Inter-Area Voltage Control” (Document B-03). Real and reactive power will be transferred over the Interconnection Facilities, which are described in Schedule A of this Agreement.

4.7 Inadvertent

Inadvertent power transfers on all Interconnection Facilities shall be controlled and accounted for in accordance with the standards and procedures developed by NERC and NPCC and implemented by the Coordination Committee and the system operators of each Party to this Agreement.

4.8 Adoption of Standards

The Parties hereby agree to adopt, enforce and comply with requirements and standards that will safeguard Reliability of the interconnected Transmission Systems. Such Reliability requirements and Reliability Standards shall be:

- (a) adopted and enforced for the purpose of providing reliable service;
- (b) not unduly discriminatory in substance or application;
- (c) applied consistently to both Parties (with the exception of subsection (e) below);
- (d) consistent with the Parties’ respective obligations to applicable Standards Authorities including, without limitation, any relevant requirements or guidelines from each of NERC, NPCC or any other Standards Authority to which the Parties are required to adhere; and

(e) with respect to the NYISO, consistent with the NYSRC Reliability Rules.

4.9 New York - New England IROL Interface

The Parties share a joint Interconnection Reliability Operating Limit (“IROL”) related to transfers on the interconnecting transmission lines between their respective Reliability Coordinator Areas and Balancing Authority Areas. This IROL is adhered to in order to ensure acceptable steady-state and transient performance of the New York and New England Transmission Systems. Both Parties will monitor this limit in accordance with this Agreement and independently determine the applicable import and export transfer limits. Both Parties agree to operate the interface to the most conservative limits developed in real-time and the day-ahead planning process. These operating limits shall be determined in accordance with NERC Reliability Standards and NPCC Criteria, Guides and Procedures. Both Parties will take coordinated corrective actions to avoid a violation of the IROL. If a violation occurs, coordinated corrective actions shall be taken to ensure that the violation is cleared as soon as possible, and in accordance with NERC Reliability Standards.

4.10 Coordination and Exchange of Information Regarding System Operations and Planning

Each Party shall have operating procedures, processes or plans in place for activities that require notification, exchange of information or coordination of actions with the other Party to support Interconnection reliability. Each Party shall have communications capabilities with the other Party, for both voice and data exchange as required to meet reliability needs of the Interconnection.

The Parties shall exchange information and coordinate regarding system operations and planning and inter-regional planning activities in a manner consistent with NERC and NPCC requirements, and consistent with the requirements of Section 6 of this Coordination Agreement.

ARTICLE 5.0: EMERGENCY ASSISTANCE

5.1 Emergency Assistance

Both Parties shall exercise due diligence to avoid or mitigate an Emergency to the extent practicable as per each Party's requirements related to the mitigation of an Emergency, in applicable policies and procedures imposed by NERC, NPCC, or (for the NYISO) the NYSRC, or contained in the ISO-NE Tariff and NYISO Tariffs. In avoiding or mitigating an Emergency, both Parties shall strive to allow for commercial remedies, but if commercial remedies are not successful, the Parties agree to be the suppliers of last resort to ensure Reliability on the system. For each hour during which Emergency conditions exist in a Party's Balancing Authority Area, that Party (while still ensuring operations within applicable Reliability Standards) shall determine what commercial remedies are available and make use of those that are available and needed to avoid or mitigate the Emergency before any Emergency Energy is scheduled in that hour.

5.2 Emergency Energy Transactions

Each Party shall, to the maximum extent it deems consistent with the safe and proper operation of its respective Transmission System, provide Emergency Energy to the other Party in accordance with the provisions of Schedule C of this Agreement.

ARTICLE 6.0: EXCHANGE OF INFORMATION AND CONFIDENTIALITY

ISO-NE and NYISO are authorized and agree to exchange and share such information as is required for the Coordination Committee to perform its duties and for the Parties to fulfill their obligations under this Agreement.

Any Party that receives Confidential Information or Critical Energy Infrastructure Information (“CEII”) pursuant to this Article 6 (the “Receiving Party”) shall treat such information as confidential subject to the terms and conditions set forth in Section 6.5 of this Agreement.

6.1 Information

The Parties are authorized and agree to share the following information:

- (a) Information required to develop Operating Instructions;
- (b) Transmission System facility specifications and modeling data required to perform Security analysis;
- (c) Functional descriptions and schematic diagrams of Transmission System protective devices and communication facilities;
- (d) Ratings data and associated ratings methodologies for the Interconnection Facilities;
- (e) Telemetry points, equipment alarms and status points required for real-time monitoring of Security dispatch;
- (f) Data required to reconcile accounts for inadvertent energy, and for Emergency Energy transactions;
- (g) Transmission System information that is consistent with the information sharing requirements imposed by the NERC and NPCC;
- (h) Such other information as may be required for the Parties to maintain the reliable operation of their interconnected Transmission Systems and fulfill their obligations under this Agreement and to any Standards Authority of which either Party is a member, provided, however, that this other information will be exchanged only if it can be done in accordance with applicable restrictions on the disclosure of information to any Market Participant; and
- (i) Information related to the administration of CTS including:
 - ISO-NE Market Participant user and organization information;
 - ISO-NE Supply Price Points for each CTS Enabled Interface;
 - ISO-NE Transfer Limits for each CTS Enabled Interface;

- NYISO and ISO-NE Operating Reserves and reserve requirements;
- Day-ahead schedules, and real-time actual output and limits for NYCA generators that have capacity obligations in the ISO-NE market and for NECA generators that have capacity obligations in the NYISO market;
- Real-time bids, including real-time bids to wheel energy, submitted at a CTS Enabled Interface between the NYCA and the NECA (to be provided by NYISO);
- NYISO Day Ahead Operating Plan; and
- NYISO RTC results, including cleared MWs for all bids at a CTS Enabled Interface between the NYCA and the NECA, as well as LMPs, Transfer Limits and constraint information related to the scheduling of real-time energy transactions between the NYCA and the NECA.

6.2 Data Exchange Contact

To facilitate the exchange of all such data, each Party will designate to the other Party's Vice President in charge of operations a contact(s), plus one or more alternate contacts, to be available twenty-four (24) hours each day, seven (7) days per week to respond to data inquiries. An alternate contact of each Party shall be its Operations Control Room. Each Party shall provide the name, telephone number, e-mail address, and fax number of each contact and alternate. Each Party may change the designated contact by notifying the other Party's Vice President in charge of operations in advance of the change.

The Parties agree to exchange data in a timely manner consistent with existing defined formats or such other formats to which the Parties may agree. Each Party shall provide notification to the other Party thirty (30) days prior to modifying an established data exchange format.

6.3 Cost of Data and Information Exchange

Each Party shall bear its own cost of providing information to the other Party.

6.4 Other Data

The Parties may share Confidential Information not listed in this Article 6 that is necessary for the coordinated operation of their systems, subject to the protections set forth in Section 6.5, below.

6.5 Treatment of Confidential Information and Critical Energy Infrastructure Information

- (a) Definitions. For purposes of addressing information shared or exchanged pursuant to this Agreement, the term "Confidential Information" shall mean: (i) all information, whether furnished before or after the mutual execution of this Agreement, whether oral, written or recorded/electronic, and regardless of the

manner in which it is furnished, that is marked “confidential” or “proprietary” or which under all of the circumstances should be treated as confidential or proprietary; (ii) information that is Confidential Information or Strategic Information under the ISO New England Information Policy or the NYISO Code of Conduct; (iii) information that is Protected Information under the NYISO Market Monitoring Plan; (iv) all reports, summaries, compilations, analyses, notes or other information of a Party hereto which are based on, contain or reflect any Confidential Information; or (v) any information which, if disclosed by a transmission function employee of a utility regulated by the FERC to a market function employee of the same utility system, other than by public posting, would violate the FERC’s Standards of Conduct set forth in 18 C.F.R. § 37 *et. seq.* and the Parties’ Standards of Conduct on file with the FERC.

- (b) Labeling of Confidential Information. In circumstances where it may not be clear that information that is provided or exchanged between the Parties pursuant to the authority provided in this Agreement is Confidential Information, the information being provided should be clearly marked “confidential” or “proprietary.” Such labeling is not required for the regular, automated exchange of Confidential Information that occurs, for example, to permit the Parties to administer CTS.
- (c) Protection. Except as set forth herein, the Receiving Party shall not, at any time during or after the term of this Agreement, in any manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, corporation or other entity, or use for any purposes other than those set forth herein, any Confidential Information acquired from the party disclosing the information (the “Disclosing Party”), without the express prior written consent of the Disclosing Party. The Receiving Party shall not disclose any Confidential Information to anyone except to officers and employees of the Receiving Party and to its outside consultants, advisers and/or attorneys, in each case who have a need to know to further the purposes set forth herein and who have been advised of the confidential nature of the Confidential Information and who have agreed to abide by the terms of this Agreement or are bound by equally restrictive covenants (collectively, “Authorized Representatives”). The Receiving Party agrees that it shall be liable for any breach of this Agreement by its Authorized Representatives.
- (d) Survival. The obligation of each Party and each Authorized Representative under this Article 6 continues and survives the termination of this Agreement.
- (e) Scope. This obligation of confidentiality shall not extend to data and information that, at no fault of the Receiving Party, is or becomes: (a) in the public domain or generally available or known to the public; (b) disclosed to a recipient by a non-Party who had a legal right to do so; or (c) independently developed by the Receiving Party or known to such Party prior to its disclosure hereunder.
- (f) Required Disclosure or Submission on a Confidential Basis. If a governmental authority requests or requires the Receiving Party to publicly disclose any of the Disclosing Party’s Confidential Information, or if a request from another person or

entity is made in writing pursuant to a legal discovery process, the Receiving Party shall provide the Disclosing Party with prompt notice of such request or requirement. The Disclosing Party shall in turn, to the extent required by the terms of its tariff, provide any Market Participant whose Confidential Information is the subject of possible disclosure with prompt written notice of the circumstances that may require such disclosure so that the Market Participant has a reasonable opportunity to seek a protective order or other appropriate remedy to prevent disclosure.

If a Receiving Party is required to publicly disclose any Confidential Information under this Section, the Parties shall meet as soon as practicable in an effort to resolve any and all issues associated with the required disclosure, and the possibility of further requested or required disclosures of the Disclosing Party's Confidential Information.

The process described above shall also be followed if a governmental authority requests or requires the Receiving Party to submit any of the Disclosing Party's Confidential Information on a confidential basis (with the exception of requests for Confidential Information from FERC or the Commodity Futures Trading Commission ("CFTC") to the NYISO). The Receiving Party shall notify the governmental authority that the requested or required information contains NYISO or ISO-NE Market Participant specific Confidential Information, if applicable, and shall use reasonable efforts to protect the Confidential Information from public disclosure.

If FERC or the CFTC request or require the NYISO to submit any Confidential Information it received from ISO-NE on a confidential basis, the NYISO will seek permission to inform ISO-NE of the requirement or request and, if granted, will follow the procedures outlined above. In the event FERC or the CFTC does not permit the NYISO to notify ISO-NE of the request, NYISO shall inform FERC or the CFTC in writing that the disclosed information includes Confidential Information, and shall request that FERC or the CFTC inform NYISO before releasing to a third party any of the Confidential Information.

If a governmental authority (including FERC and the CFTC) that requested or required the submission, on a confidential basis, of Confidential Information by a Receiving Party issues a notice indicating that it is considering disclosing, or intends to disclose any Confidential Information provided by the Disclosing Party, or if the governmental authority (including FERC and the CFTC) receives a public records demand or other legal discovery request seeking disclosure of any Confidential Information provided by the Disclosing Party, the Receiving Party shall notify the Disclosing Party so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy. The Disclosing Party shall in turn, to the extent required by the terms of its tariff, provide any Market Participant whose Confidential Information is the subject of possible disclosure under this provision with prompt written notice of the circumstances that may

require such disclosure so that the Market Participant has a reasonable opportunity to seek a protective order or other appropriate remedy to prevent disclosure.

- (g) Return of Confidential Information. Information provided pursuant to this Section 6 is deemed to be on loan, and remains the property of the Disclosing Party notwithstanding the disclosure of such Confidential Information to the Receiving Party hereunder. All Confidential Information provided by the Disclosing Party shall be returned by the Receiving Party to the Disclosing Party or destroyed, erased or deleted by the Receiving Party, with written confirmation provided to the Disclosing Party, promptly upon request. Upon termination of this Agreement, a Party shall use reasonable efforts to destroy, erase, delete or return to the Disclosing Party any and all written or electronic Confidential Information. Unless otherwise expressly agreed in a separate license agreement, the disclosure of Confidential Information to the Receiving Party will not be deemed to constitute a grant, by implication or otherwise, of a right or license to the Confidential Information or in any patents or patent applications of the Disclosing Party.
- (h) Relief. Each Party acknowledges that remedies at law are inadequate to protect against breach of the covenants and agreements in this Article, and hereby in advance agrees, without prejudice to any rights to judicial relief that it may otherwise have, to the granting of equitable relief, including injunction, in the Disclosing Party's favor without proof of actual damages. In addition to the equitable relief referred to in this Section, a Disclosing Party shall only be entitled to recover from a Receiving Party any and all gains wrongfully acquired, directly or indirectly, from a Receiving Party's unauthorized disclosure of Confidential Information.
- (i) Existing Confidential Information Obligations. Notwithstanding anything to the contrary in this Agreement, the Parties shall have no obligation to disclose Confidential Information or data to the extent such disclosure of information or data would be a violation of or inconsistent with applicable state or federal regulation or law. This Agreement requires the Parties to exchange Confidential Information that is necessary for the Coordination Committee to perform its duties, or for the Parties to fulfill their obligations under this Agreement. The Parties are not obligated to share Confidential Information for other purposes.
- (j) The term "CEII" or "Critical Energy Infrastructure Information" shall mean all information, whether furnished before or after the mutual execution of this Agreement, whether oral, written or recorded/electronic, and regardless of the manner in which it is furnished, that is marked "CEII" or "Critical Energy Infrastructure Information" or which under all of the circumstances should be treated as such in accordance with the definition of CEII in 18 C.F.R. § 388.13(c)(1). The Receiving Party shall maintain all CEII in a secure place. The Receiving Party shall treat CEII received under this agreement in accordance with its own procedures for protecting CEII and shall not disclose CEII to anyone except its Authorized Representatives.

6.6 Unauthorized Transfer of Third-Party Intellectual Property

In the performance of this Agreement, no Party shall transfer to the other Party any Intellectual Property, the use of which by the other Party would constitute an infringement of the rights of another entity (including the Parties). In the event such transfer occurs, whether or not inadvertent, the transferring Party shall, promptly upon learning of the transfer, provide Notice to the receiving Party and upon receipt of such Notice the receiving Party shall take reasonable steps to avoid claims and mitigate losses.

ARTICLE 7.0: COORDINATION COMMITTEE

7.1 Coordination Committee Inauguration and Authorization

The Parties shall form a Coordination Committee under this Agreement. Within 30 days of the Effective Date, each of the Parties shall appoint two representatives, a principal and an alternate, to serve as members of the Coordination Committee with the authority to act on their behalf with respect to actions or decisions taken by the Coordination Committee. A Party may, at any time upon providing prior notice to the other Party, designate a replacement principal member or alternate member to the Coordination Committee.

7.2 Coordination Committee Duties and Responsibilities

The Coordination Committee exists to administer or assist the Parties' implementation of the provisions of this Agreement. The Coordination Committee shall develop and adopt policies, instructions, and recommendations relating to the Parties' performance of their obligations under this Agreement, attempt to resolve Disputes between the Parties pursuant to Article 17.0 of this Agreement, and shall undertake any other actions specifically delegated to it pursuant to this Agreement.

The Coordination Committee shall undertake to assist the Parties' efforts to jointly develop Operating Instructions to implement the intent of this Agreement in accordance with Schedule B of this Agreement, 'Procedures for Development and Authorization of Operating Instructions'. The Coordination Committee shall authorize such Operating Instructions once developed. To the extent that the Operating Instructions require participation by local control centers and Transmission Owners in the New England or the New York Reliability Coordinator Areas, those entities will be involved in the development process.

Should the terms and conditions contained in this Agreement be found to conflict with or fail to recognize obligations of a Standards Authority of which either Party is a member or other regulatory requirements, the Parties agree to amend this Agreement accordingly.

Any recommendations on revisions to this Agreement shall be provided to each Party's appropriate corporate officers for approval.

7.3 Limitations of Coordination Committee Authority

The Coordination Committee is not authorized to modify or amend any of the terms of this Agreement. The Coordination Committee is also not authorized to excuse any obligations under this Agreement or waive any rights pertaining to this Agreement. The Coordination Committee has no authority to commit either Party to any expenditure that is beyond those expenses described herein.

7.4 Exercise of Coordination Committee Duties

The Coordination Committee shall hold meetings no less frequently than once each calendar year. The matters to be addressed at all meetings shall be specified in an agenda, which

shall contain items specified by either Party in advance of the meeting and sent to the representatives of the other Party. All decisions of the Coordination Committee must be unanimous. Special meetings may be called at any time if the Coordination Committee deems such meetings to be necessary or appropriate.

Subject to the limitations on its authority as described in Section 7.3 of this Agreement, the Coordination Committee has the responsibility and authority to take action on all aspects of this Agreement, including, but not limited to the following:

- (a) amending, adding or canceling Operating Instructions and providing written notice in accordance with Article 18.0 of this Agreement;
- (b) assessment of non-compliance with this Agreement and, subject to Article 19.0 of this Agreement, the taking of appropriate action in respect thereof;
- (c) documentation of decisions related to the initial resolution of Disputes as set out in Article 19.0 of this Agreement, or in cases of unresolved Disputes, the circumstances relevant to the Dispute in question as contemplated by the requirements of Article 19.0 of this Agreement; and
- (d) preparation, documentation, retention and distribution of Coordination Committee meeting minutes and agendas.

**ARTICLE 8.0: RELIABILITY COORDINATION AND RELIABILITY ASSESSMENT
OF OUTAGES**

Both Parties agree to provide each other with updates on planned outage schedules and other activities in accordance with NPCC Criteria, Guides and Procedures that may impact on the Reliability or availability of the interconnected New York Transmission System and New England Transmission System. As Reliability Coordinators and Balancing Authorities, the NYISO and ISO-NE, shall interact with each other as required, and with other Balancing Authorities and Reliability Coordinators, to establish System Operating Limits and to perform Reliability coordination and Reliability assessments of outages.

ARTICLE 9.0: OPERATIONAL INFORMATION

9.1 Obligation to Provide Operational Data and Status Points

The Parties shall ensure that appropriate monitoring facilities are installed as required to provide for electric power quantities or equipment loading to enable monitoring of System Operating Limits, meet requirements of each of NERC and NPCC, and for determining Interconnection Facilities inadvertent energy accounting.

ARTICLE 10.0: INTERCONNECTION REVENUE METERING

10.1 Obligation to Provide Inadvertent Energy Accounting Metering

The Parties shall ensure appropriate electric metering devices are installed as required to measure electric power quantities for determining Interconnection Facilities inadvertent energy accounting.

10.2 Standards for Metering Equipment

Any Metering Equipment used to meter Metered Quantities for inadvertent energy accounting shall be designed, verified, sealed and maintained in accordance with the Party's respective metering standards or as otherwise agreed to by the Coordination Committee.

10.3 Meter Compensation to the Point of Interconnection

The metering compensation for transmission line losses to the Interconnection Facilities Delivery Point shall be determined by the Party's respective standards or otherwise agreed to by the Coordination Committee.

10.4 Metering Readings

The Parties shall ensure that integrated meter readings are provided at least once each hour for Interconnection Facilities accounting purposes and meter registers are read at least monthly, as close as practicable to the last hour of the month. An appropriate adjustment shall be made to register readings not taken on the last hour of the month.

ARTICLE 11.0: JOINT CHECKOUT PROCEDURES

11.1 Scheduling Checkout Protocols

Both Parties shall require all real-time energy market transaction schedules over Interconnections to be tagged in accord with the NERC tagging standard. For Simultaneous Activation of Reserves (“SAR”) and other emergency schedules that are not tagged, the Parties will enter manual schedules into their respective operating systems.

When there is a real-time energy market transaction scheduling conflict, the Parties will work to modify the schedule as soon as practical.

Consistent with the foregoing requirements, the Parties will perform the following types of checkouts:

- (a) Day-ahead checkout shall be performed daily on the day before the transaction is to flow. Day-ahead checkout includes the verification of net interchange totals and individual transaction schedules;
- (b) Real-time checkout shall be performed during the period before the transaction is to flow. Real-time checkout includes the verification of net interchange totals and individual transaction schedules;
- (c) After-the-fact checkout of real-time transactions shall be performed the next business day following the day of the transactions;
- (d) After-the-fact reporting of scheduled energy interchange and actual energy interchange shall be updated by each Party each day and exchanged with the other Party. Within ten (10) business days of the end of each month, the previous month’s data shall be reconciled.

ARTICLE 12.0: COORDINATED TRANSACTION SCHEDULING

CTS is addressed in Schedule D to this Agreement and in the ISO-NE and NYISO Tariffs.

ARTICLE 13.0: LIABILITY

13.1 Force Majeure

A Party shall not be considered to be in default or breach of this Agreement, and shall be excused from performance or liability for damages to the other Party, if and to the extent it shall be delayed in or prevented from performing or carrying out any of the provisions of this Agreement, arising out of or from any act, omission, or circumstance by or in consequence of any act of God, labor disturbance, sabotage, failure of contractors or suppliers of materials, act of the public enemy, war, invasion, insurrection, riot, fire, storm, flood, ice, earthquake, explosion, epidemic, breakage or accident to machinery or equipment or any other cause or causes beyond such Party's reasonable control, including any curtailment, order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or by making of repairs necessitated by an emergency circumstance not limited to those listed above upon the property or equipment of the Party or property or equipment of others which is deemed under the Operational Control of the Party. A Force Majeure event does not include an act of negligence or Intentional Wrongdoing by a Party. Any Party claiming a Force Majeure event shall use reasonable diligence to remove the condition that prevents performance and shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Force Majeure event. Each Party shall use its best efforts to mitigate the effects of such Force Majeure event, remedy its inability to perform, and resume full performance of its obligations hereunder.

A Party suffering a Force Majeure event ("Affected Party") shall notify the other Party ("Non-Affected Party") in writing ("Notice of Force Majeure Event") as soon as reasonably practicable specifying the cause of the event, the scope of commitments under the Agreement affected by the event, and a good faith estimate of the time required to restore full performance. Except for those commitments identified in the Notice of Force Majeure Event, the Affected Party shall not be relieved of its responsibility to fully perform as to all other commitments in the Agreement. If the Force Majeure event continues for a period of more than 90 days from the date of the Notice of Force Majeure Event, the Non-Affected Party shall be entitled, at its sole discretion, to terminate the Agreement.

13.2 Liability to Third Parties

Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person or entity that is not a Party or a permitted successor or assign.

13.3 Indemnification

- (a) **Definitions.** An "Indemnifying Party" means a Party who holds an indemnification obligation hereunder. An "Indemnitee" means a Party entitled to receive indemnification under this Agreement.
- (b) **Third Party Losses.** Each Party will defend, indemnify, and hold the other Party harmless from all losses, damages, liabilities, obligations, claims, demands, suits,

proceedings, recoveries, settlements, costs and expenses, court costs, attorney fees, causes of action, judgments and other obligations (collectively, "Losses") brought or obtained by any Third Party against such other Party, only to the extent that such Losses arise directly from the:

- (i) Gross negligence, recklessness, or willful misconduct of the Indemnifying Party or any of its agents or employees, in the performance of this Agreement; except to the extent such Losses arise (i) from gross negligence, recklessness, willful misconduct or breach of contract or law by the Indemnitee or such Indemnitee's agents or employees, or (ii) as a consequence of strict liability imposed as a matter of law upon the Indemnitee, or such Indemnitee's agents or employees; or
 - (ii) Breach of the Parties' obligations in Article 6 hereof.
- (c) Process. The Indemnitee shall give Notice to the Indemnifying Party as soon as reasonably practicable after the Indemnitee becomes aware of the indemnifiable Losses or any claim, action or proceeding that may give rise to an indemnification. Such notice shall describe the nature of the Losses or proceeding in reasonable detail, explain how the Losses relate to the performance of this Agreement, and shall indicate, if practicable, the estimated amount of the Losses that has been sustained by the Indemnitee. A delay or failure of the Indemnitee to provide the required notice shall release the Indemnifying Party (i) from any indemnification obligation to the extent that such delay or failure materially and adversely affects the Indemnifying Party's ability to defend such claim or materially and adversely increases the amount of the indemnifiable Losses, and (ii) from any responsibility for any costs or expenses of the Indemnitee in the defense of the claim during such period of delay or failure.
- (d) Indemnification shall be limited to the extent that the liability of the Indemnitee would be limited by any applicable law.

13.4 Liability Between the Parties

The Parties' duties and standard of care with respect to each other, and the benefits and rights conferred on each other shall be no greater than as expressly stated herein. Neither Party, its directors, officers, trustees, employees or agents, shall be liable to the other Party for any Losses, whether direct, indirect, incidental, punitive, special, exemplary or consequential, arising from that Party's performance or nonperformance under this Agreement, except to the extent that the Party is found liable for gross negligence or willful misconduct, in which case the Party responsible shall be liable only for direct and ordinary damages and not for any incidental, consequential, punitive, special, exemplary or indirect damages.

This section shall not limit amounts required to be paid for Emergency Energy under Schedule C to this Agreement. This section shall not apply to adjustments or corrections for errors in invoiced amounts due under Schedule C to this Agreement.

13.5 Liability for Interruptions

Except as set forth herein, neither Party shall be liable to the other Party for any Losses or damage, whether direct, indirect, incidental, punitive, special, exemplary or consequential, resulting from an occurrence on the circuits and system that are under the Operational Control of the other Party and which results in damage to or renders inoperative such circuits and system, or the separation of the systems in an Emergency, or interrupts or diminishes service, or increases, decreases or in any way affects for whatever length of time the voltage or frequency of the energy delivered hereunder to the other Party.

ARTICLE 14.0: APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

ARTICLE 15.0: LICENSE AND AUTHORIZATION

The agreements and obligations expressed herein are subject to such initial and continuing governmental permission and authorization as may be required. Each Party shall be responsible for securing and paying for any approvals required by it from any regulatory agency of competent jurisdiction relating to its participation in this Agreement and will reasonably cooperate with the other Party in seeking such approvals.

ARTICLE 16.0: ASSIGNMENT

This Agreement shall inure to the benefit of, and be binding upon and may be performed by, the successors and assigns of the Parties hereto respectively, but shall not be assignable by either Party without the written consent of the other.

ARTICLE 17.0: AMENDMENT

17.1 Review of Agreement

The terms of this Agreement are subject to review for potential amendment at the request of either Party. If, consequent to such review, the Parties agree that any of the provisions hereof, or the practices or conduct of either Party impose an inequity, hardship or undue burden upon the other Party, or if the Parties agree that any of the provisions of this Agreement have become obsolete or inconsistent with changes related to the Interconnection Facilities, the Parties shall endeavor in good faith to amend or supplement this Agreement in such a manner as will remove such inequity, hardship or undue burden, or otherwise appropriately address the cause for such change. Any amendment of this Agreement by the Parties must be done in accordance with Section 17.2.

17.2 Authorized Representatives

No amendment of this Agreement shall be effective unless effected by written instrument duly executed by the Parties' authorized representatives. For the purposes of this Section, an authorized person refers to individuals designated as such by Parties in their respective corporate by-laws.

ARTICLE 18.0: NOTICES

Except as otherwise agreed from time to time, any notice, invoice or other communication which is required by this Agreement to be given in writing, shall be sufficiently given at the earlier of the time of actual receipt or deemed time of receipt if delivered personally to a senior official of the Party for whom it is intended or electronically transferred or sent by registered mail, addressed as follows:

In the case of the NYISO to:

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, New York 12144
Attention: Vice President of Operations

In the case of ISO-NE to:

ISO New England Inc.
One Sullivan Road
Holyoke, Massachusetts 01040-2841
Attention: Vice President of System Operations

or delivered to such other person or electronically transferred or sent by registered mail to such other address as either Party may designate for itself by notice given in accordance with this Section or delivered by any other means agreed to by the Parties hereto.

Any notice, or communication so mailed shall be deemed to have been received on the third business day following the day of mailing, or if electronically transferred shall be deemed to have been received on the same business day as the date of the electronic transfer, or if delivered personally shall be deemed to have been received on the date of delivery or if delivered by some other means shall be deemed to have been received as agreed to by the Parties hereto.

The use of a signed facsimile of notices and correspondence between the Parties related to this Agreement shall be accepted as proof of the matters therein set out. Follow-up with hard copy by mail will not be required unless agreed to by the Coordination Committee.

ARTICLE 19.0: DISPUTE RESOLUTION

In the event of a dispute arising out of or relating to this Agreement (a “Dispute”) that is not resolved by the representatives of the Parties who have been designated under Section 7.1 of this Agreement within 7 days of the reference to such representatives of such Dispute, each Party shall, within 14 days’ written notice by either Party to the other, designate a senior officer with authority and responsibility to resolve the Dispute and refer the Dispute to them. The senior officer designated by each Party shall have authority to make decisions on its behalf with respect to that Party’s rights and obligations under this Agreement. The senior officers, once designated, shall promptly begin discussions in a good faith effort to agree upon a resolution of the Dispute. If the senior officers do not agree upon a resolution of the Dispute within 30 days of its referral to them (or within such longer period as the senior officers mutually agree to in writing), or do not mutually agree to submit their Dispute for binding or non-binding arbitration by the Federal Energy Regulatory Commission’s Dispute Resolution Service, then the Parties shall request that the Federal Energy Regulatory Commission’s Dispute Resolution Service mediate their efforts to resolve the Dispute. At any point in the mediation process, either Party may terminate the mediation and may pursue any and all remedies available to it at law or in equity.

Neither the giving of notice of a Dispute, nor the pendency of any Dispute resolution process as described in this Section shall relieve a Party of its obligations under this Agreement, extend any notice period described in this Agreement or extend any period in which a Party must act as described in this Agreement. Notwithstanding the requirements of this Section, either Party may terminate this Agreement in accordance with its provisions, or pursuant to an order of FERC or a court at equity. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

ARTICLE 20.0: REPRESENTATIONS

20.1 Good Standing

Each Party represents and warrants that it is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable.

20.2 Authority to Enter Into Agreement

Each Party represents and warrants that it has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

20.3 Organizational Formation Documents

Each Party represents and warrants that the execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, bylaws, operating agreement, or agency agreement of such Party, or any judgment, license, permit, regulatory order, or governmental authorization applicable to such Party.

20.4 Regulatory Authorizations

Each Party represents and warrants that it has, or applied for, all regulatory authorizations necessary for it to perform its obligations under this Agreement.

ARTICLE 21.0: EFFECTIVE DATE AND TERM

Subject to the conditions of Article 13.0 (License and Authorization) above, this Agreement shall take effect as of the date that all of the following have occurred: (i) upon the execution hereof by both Parties on the date set forth above; and (ii) acceptance or approval by the FERC. This Agreement shall continue in force until terminated in accordance with this Article.

This Agreement may be terminated at any time by mutual agreement in writing. It may also be terminated by either Party with prior written notice of at least ninety (90) days to the other Party of its intention to terminate.

ARTICLE 22.0: MISCELLANEOUS

22.1 Performance

The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any right held by such Party. Any waiver on any specific occasion by either Party shall not be deemed a continuing waiver of such right, nor shall it be deemed a waiver of any other right under this Agreement.

22.2 Agreement

This Agreement, including all Schedules and Attachments hereto, is the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements, oral or written, with respect to the subject matter of this Agreement.

22.3 Governmental Authorizations

This Agreement, including its future amendments is subject to the initial and continuing Federal Energy Regulatory Commission authorizations required to establish, operate and maintain the Interconnection Facilities as herein specified. Each Party shall take all actions necessary and reasonably within its control to maintain all rights and Federal Energy Regulatory Commission approvals required to perform its respective obligations under this Agreement.

If one Party determines that it is required to self-report a potential violation to the Commission's Office of Enforcement regarding its compliance with this Agreement or the administration of CTS, the reporting Party shall inform, and provide a copy of the self-report to the other Party. Any such report provided by one Party to the other shall be Confidential Information. Each Party shall make reasonable efforts to cooperate and assist in remedying any such violation, to the extent such assistance is necessary to resolve the matter and to the extent doing so is consistent with maintaining the Party's legal privilege.

22.4 Unenforceable Provisions

If any provision of this Agreement is deemed unenforceable, the rest of the Agreement shall remain in effect and the Parties shall negotiate in good faith and seek to agree upon a substitute provision that will achieve the original intent of the Parties.

22.5 Execution

This Agreement may be executed in multiple counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement, and shall become binding when all counterparts have been signed by each of the Parties and delivered to each Party hereto. Delivery of an executed signature page counterpart by telecopier shall be as effective as delivery of a manually executed counterpart.

22.6 Regulatory Authority

If any Regulatory Authority having jurisdiction (or any successor boards or agencies), a court of competent jurisdiction or other governmental entity with the appropriate jurisdiction (collectively, the "Regulatory Bodies") issues a rule, regulation, law or order that has the effect of cancelling, changing or superseding any term or provision of this Agreement, including changes to section headings or numbering (the "Regulatory Requirement"), then this Agreement will be deemed modified to the extent necessary to comply with the Regulatory Requirement. Notwithstanding the foregoing, if the Regulatory Authority materially modifies the terms and conditions of this Agreement and such modification(s) materially affect the benefits flowing to one or both of the Parties, as determined by either of the Parties within twenty (20) business days of the receipt of the Agreement as materially modified, the Parties agree to attempt in good faith to negotiate an amendment or amendments to this Agreement or take other appropriate action(s) so as to put each Party in effectively the same position in which the Parties would have been had such modification not been made. In the event that, within sixty (60) days or some other time period mutually agreed upon by the Parties after such modification has been made, the Parties are unable to reach agreement as to what, if any, amendments are necessary and fail to take other appropriate action to put each Party in effectively the same position in which the Parties would have been had such modification not been made, then either Party shall have the right to unilaterally terminate this Agreement forthwith.

22.7 Headings

The headings used for the Articles and Sections of this Agreement are for convenience and reference purposes only, and shall not be construed to modify, expand, limit, or restrict the provisions of this Agreement.

IN WITNESS WHEREOF

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed in duplicate as of the day and year first written above.

NEW YORK INDEPENDENT SYSTEM OPERATOR

By Rick Gonzales Date: March 4, 2021

Ricardo T. Gonzales, Senior Vice President and Chief Operating Officer

EO NEW ENGLAND INC.

By  Date: March 4, 2021

Vamsi Chada, Vice President and Chief Operating Officer

Schedule A: Description of Interconnection Facilities

The Coordination Agreement between ISO-NE and the NYISO covers the New England – NYISO Interconnection Facilities under the Operational Control of the NYISO and ISO-NE.

ISO-NE and NYISO shall jointly develop and maintain an ‘ISO-NE / NYISO List of Interconnection Facilities’ (including a description of the associated Interties and metering points) and post the most current mutually agreed upon list on their respective public websites. The Parties may jointly revise the list by mutual written agreement. After the Parties mutually agree to changes, ISO-NE and NYISO shall post an updated list on their respective websites. The ISO-NE / NYISO List of Interconnection Facilities shall not be modified if either Party objects to a proposed change. The most current list developed by mutual agreement shall remain the official version of the list and neither Party shall knowingly post a list that includes changes that are not the product of mutual agreement.

There are three (3) ISO-NE/NYISO Interconnections: the “NY/NE Northern AC Interconnection,” the Northport-Norwalk Harbor Cable (“NNC Interconnection”), and the Cross Sound Cable (“CSC Interconnection”). For each Interconnection, NYISO and ISO-NE have identified respective associated Interties, Intertie metering points, and external nodes for scheduling and pricing purposes.

For Operational Control purposes, the point of demarcation for each of the Interconnections is the point at which the Interconnection (and its individual Interties) crosses the New England-New York State boundary, except as otherwise noted in the ISO-NE / NYISO List of Interconnection Facilities. The external nodes associated with each of the Interconnections are listed in Table 1 of Attachment A of Schedule C of this Agreement.

Schedule B: Procedures for Development and Authorization of Operating Instructions

Overview

Operating Instructions (a) will be developed and recorded by the Parties, with assistance from the Coordination Committee, in accordance with this Schedule B, (b) will be contained in a document separate from this Agreement, and (c) may be modified by the Parties, with assistance from the Coordination Committee, without amending this Agreement.

The Parties, with assistance from the Coordination Committee, shall jointly develop Operating Instructions and review them at least annually. The Parties, with assistance from the Coordination Committee, shall submit draft material to one another for review and comment. The Parties, with assistance from the Coordination Committee, shall provide comment on the draft material promptly. The Parties, with assistance from the Coordination Committee, shall promptly provide such information as may reasonably be required in connection with establishing, or reviewing, the material. The Coordination Committee shall be responsible for approving final versions of Operating Instructions.

In the event that any conflicts arise or are made apparent to a Party regarding any Operating Instructions, they shall notify the other Party and engage the Coordination Committee, if necessary, to resolve such conflicts.

The Coordination Committee will periodically review applicable ISO-NE and NYISO individual procedures and processes to determine any benefits of sharing these procedures and processes. These benefits may be for the purpose of training or to satisfy Reliability Standards. The Coordination Committee will determine how best to share these individual procedures and processes.

A list of Operating Instructions and applicable ISO-NE and NYISO individual procedures will be maintained by the Coordination Committee.

Outlined below are the key principles and items of methodology to be observed while the Parties, with assistance from the Coordination Committee, are engaged in developing Operating Instructions, and issuing them to their respective operations staff.

Principles

Given that the Parties' respective operations staff benefit from following a single instruction for all aspects of their execution of interconnected operations, it is an acceptable practice to combine this content to achieve the single Operating Instructions for use by a respective Party's operations staff. The preferred methodology when appropriate is to use the NPCC Criteria, Guides and Procedures for the coordination and operation of the interconnected Transmission Systems. When the NPCC documentation is insufficient to accomplish this task separate instructions will be developed in accordance with this Schedule.

Each Party shall coordinate the issuance internally of any Operating Instructions developed and agreed to by the Parties, with assistance from the Coordination Committee, to ensure that their respective operations staff has these

Operating Instructions. In addition, annual review of the Operating Instructions and the Parties' internal procedures associated with the Operating Instructions shall be conducted by the Parties, with assistance from the Coordination Committee, to ensure consistency.

Operating Instructions, when approved by the Parties, shall be binding on the Parties insofar as they relate to the Interconnection Facilities until they expire, are changed, deleted, or superseded by authority of the Parties, with assistance from the Coordination Committee.

Items of Methodology

By mutual agreement of the Coordination Committee, one of the Parties shall be designated by the Coordination Committee to control the revision process of the Operating Instruction from the initial drafting of material through to the conversion of the Operating Instruction into its final form.

Schedule C: Emergency Energy Transactions Schedule

WHEREAS, ISO-NE, as the regional transmission organization for the New England Transmission System and the administrator of the New England markets, arranges for the sale and purchase of Emergency capacity and energy on behalf of Market Participants with neighboring Balancing Authority Areas, all in accordance with the ISO-NE Tariff, which includes the Open Access Transmission Tariff and ISO-NE market rules;

WHEREAS, ISO-NE is the responsible for, among other matters, procuring and acting as supplier of last resort of ancillary services (including arranging for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas), in accordance with the ISO-NE Tariff;

WHEREAS, the NYISO, as the independent system operator of the New York Transmission System and the administrator of the New York wholesale electricity markets, arranges for the sale and purchase of Emergency capacity and energy on behalf of Market Participants with neighboring Balancing Authority Areas, all in accordance with the NYISO Tariffs;

WHEREAS, the NYISO is the administrator of the NYISO Tariffs and is responsible for, among other matters, procuring and acting as supplier of last resort of ancillary services (including arranging for the sale and purchase of Emergency capacity and energy with neighboring Balancing Authority Areas), in accordance with the NYISO Tariffs;

WHEREAS, either of the Parties may, from time to time, have insufficient Operating Reserve available on the respective systems that they operate, or need to supplement available resources to cover sudden and unforeseen circumstances such as loss of equipment or forecast errors, and such conditions could result in the need to arrange for the purchase of Emergency Energy for Reliability reasons;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the Parties mutually agree as follows:

ARTICLE I

1.0 DELIVERY POINT

The Delivery Point for energy delivered pursuant to the terms of this Schedule shall be at one of three points of Interconnection between the NYISO Balancing Authority Area and the ISO-NE Balancing Authority Area, and at such other points of Interconnection as may be established.

These three points of Interconnection are as follows: (1) the NY/NE Northern AC Interconnection¹; (2) the NNC Interconnection; and (3) the Cross Sound Cable (CSC) Interconnection, which is a HVDC facility.

Unless otherwise agreed by the Coordination Committee, the price for energy for an hour delivered pursuant to this Schedule shall include all transmission costs of delivering such energy to the Delivery Point in that hour, and the Party taking delivery of such energy for the hour shall be responsible for all transmission costs beyond the Delivery Point for that hour.

¹ The NY/NE Northern AC *Interconnection*, as defined in *Schedule A – Interconnection Facilities* (“*Schedule A*”) to the Coordination Agreement between ISO-NE Inc and the NYISO Inc.

ARTICLE II

2.0 CHARACTERISTICS OF EMERGENCY ENERGY

2.1 All Emergency Energy made available under this Schedule shall be three phase, 60 Hz alternating current at operating voltages established at the Delivery Point in accordance with system requirements and appropriate to the Interconnection Facilities or other such characteristics as may be agreed upon by the Parties.

ARTICLE III

3.0 NATURE OF SERVICE

3.1 ISO-NE and the NYISO shall, to the maximum extent each deems consistent with the safe and proper operation of its system, the furnishing of economical, dependable and satisfactory services by its participants, and the obligations of its participants to other parties, make available to the other Party when a system Emergency exists on the other Party's system, Emergency Energy from its system's available generating capability in excess of the system's load requirements (i.e., load requirements alone, not load plus reserve requirements) up to the transfer limits in use between the two Balancing Authority Areas. Emergency Energy is provided in cases of emergency outages of generating units, transmission lines or other equipment, or to meet other sudden and unforeseen circumstances such as forecast errors, or to provide sufficient Operating Reserve. Normally, a Party requests Emergency Energy from the other Party as a last resort, when market-based real-time energy transactions are not available, or not available in a timely fashion in order to maintain its ten-minute reserve requirement. At the time the Emergency Energy sale is being initiated, the Party delivering such

Emergency Energy shall describe the Emergency Energy transaction as being one of the following: (1) “delivered out of ten-minute reserve”; (2) “delivered out of thirty-minute reserve” where such a delivery could reasonably be expected to be recalled if the Party delivering the Emergency Energy needed the generation for a reserve pick-up or other Emergency; or (3) “delivered above and beyond ten-minute and thirty-minute reserves” where the Party delivering such Emergency Energy is normally expected to be able to continue delivering the energy following a reserve pick-up.

- 3.2 The Parties are participants in the NPCC and are expected to comply with NPCC Criteria, Guides and Procedures. Such NPCC Criteria, Guides and Procedures include “Emergency Operation Criteria” (Document A-3), which describes the basic factors to be considered by a Balancing Authority Area in formulating plans and procedures to be followed in an Emergency. A principle of operation in this NPCC Criteria is that upon receiving a request for assistance to mitigate an Emergency, a Balancing Authority Area would provide “maximum reasonable assistance” to a neighboring Balancing Authority Area. Such reasonable assistance would not normally require the shedding of firm load.
- 3.3 Normally, the Party experiencing or anticipating an Emergency would request Emergency Energy from the other Party in accordance with this Schedule and applicable NPCC Criteria, Guides and Procedures after all market-based real-time transactions have been scheduled, unless there is an immediate need for such Emergency Energy in order to maintain system Reliability.
- 3.4 In the event a Party is unable to provide Emergency Energy to the other when needed, but there is energy available from a Third Party Balancing Authority Area supplier, the Party will use reasonable efforts to acquire and transmit such energy to the other Party where feasible.

ARTICLE IV

4.0 RATES AND CHARGES

- 4.1 The charge for Emergency Energy delivered to the NYISO or to ISO-NE shall be as set forth in Attachment A, attached hereto.
- 4.2 Should activations of reserve sharing be required by either of the Parties, inadvertent interchanges will intentionally be accumulated with each Balancing Authority Area providing assistance. In accordance with the NPCC “Procedures for Shared Activation of Ten Minute Reserve” (Document C-12), such inadvertent accumulations shall be treated as part of ordinary inadvertent energy.

ARTICLE V

5.0 MEASUREMENT OF ENERGY INTERCHANGED

- 5.1 All energy supplied at the Delivery Point shall be metered. The metered amounts shall be adjusted for actual losses to the Delivery Point on each of the Interconnection Facilities. This adjustment will be done to compensate for the difference in location between the Delivery Point and the meter.
- 5.2 Any properly designated representative of either of the Parties hereto shall have access, through coordination with the meter owner, during normal business hours, to all of the billing meters for the purpose of reading the same. The accuracy of the meters shall be verified by proper tests periodically and at any other time upon reasonable notice given by either of the Parties to the other, and each of the Parties shall be entitled to have a representative present at such verification, subject to coordination with the meter owner. In the event errors greater than +/-2% should be discovered, retroactive billing adjustments, if any, shall be determined by the Coordination Committee.

ARTICLE VI

6.0 BILLING AND PAYMENT

- 6.1 The procedure for rendering and payment of invoices for transactions pursuant to this Schedule shall be as set out hereunder unless otherwise agreed by the Coordination Committee.
- 6.2 The Party delivering energy pursuant to this Schedule shall promptly prepare, or cause to be prepared, and render an invoice to the other Party covering all transactions conducted under the terms of this Schedule. All transactions will be billed based on the schedule of energy agreed to by the Parties.
- 6.3 All invoices rendered by a Party shall be payable by the other Party in currency of the United States of America by electronic bank transfer within five (5) business days after the issuance of an invoice (the "Due Date").
- 6.4 If the rendering of an invoice is unavoidably delayed, a Party may issue an interim invoice based on estimated charges. Each invoice shall be subject to adjustment for any errors in calculation, meter readings, estimating or otherwise. Any such billing adjustments shall be made as promptly as practical, but in no event later than six months after issuing the invoice.
- 6.5 Any amount not paid by the Due Date shall be subject to interest, calculated from the due date of the invoice to the date of payment, in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. § 35.19a (a) (2) (iii).
- 6.6 If any invoice remains unpaid by a Party for thirty (30) days after the Due Date, the Party rendering the invoice may, in addition to all other remedies available to it, and after giving the other Party at least five days written notice of its intention to do so, present

the issue in question to that Party's Board of Directors. The Party's Board of Directors shall contact the other Party's Board of Directors or its designee to develop a solution to a billing Dispute pursuant to Article 17 of this Agreement. The Boards of Directors may also choose to submit the billing Dispute to a form of alternative Dispute resolution to which the Boards of Directors may agree. Such action shall not be construed as a breach of contract by the Party rendering the invoice and shall not relieve the other Party of its obligations to pay for energy in accordance with the provisions of this Schedule.

- 6.7 The applicable provisions of this Schedule shall continue in effect after termination of this Schedule to the extent necessary to provide for final billing, billing adjustments, payments and disposition of any claims outstanding.
- 6.8 Each Party warrants that it has, or will have, the agreements and procedures in place to ensure the collection of payments from its participants for the delivery of Emergency Energy to it from the other Party.

ARTICLE VII

7.0 RECORDS

- 7.1 Each Party hereto shall keep or cause to be kept complete and accurate records and memoranda of its operations hereunder and shall maintain such data as may be necessary to determine with reasonable accuracy any item required hereunder. With respect to invoicing records, each Party shall maintain or cause to be maintained such records, memoranda and data for the current calendar year plus the previous calendar year. The Coordination Committee shall have the right to examine all such records and memoranda that are not confidential in so far as may be reasonably necessary for the purpose of ascertaining the reasonableness and accuracy of any statements of costs relating to transactions hereunder.

Attachment A
To the Emergency Energy Transactions Schedule

Emergency Energy Pricing

In accordance with the Emergency Energy Transactions Schedule between the NYISO and ISO-NE, the charge for Emergency Energy delivered to the Delivery Point by the NYISO or ISO-NE to the other shall be as defined within this Attachment A.

A.1. Direct NYISO/ISO-NE Emergency Energy Transaction

These are requests made by either the NYISO or ISO-NE to receive Emergency Energy in support of Emergency conditions and to protect Reliability in the event that there is a need for energy on its system that could not be supplied through the market.

The charge for Emergency Energy shall be calculated using the following two-part formula. The first part of the formula calculates the Energy Charge portion of the charge and the second part incorporates any Transmission Charge reasonably associated with the delivery of the Emergency Energy to the Delivery Point.

The Energy Charge portion of the Emergency Energy Charge (for an hour)

For NYISO as the delivering Party:

The Energy Charge portion of the Emergency Energy Charge for an hour equals the sum of the Energy Charges for each real-time interval in the hour. The Energy Charge for each real-time interval =

(Emergency Energy supplied in the real-time interval in megawatt hour(s) (“MWh”))
* (Delivering Party’s Cost of Energy in \$/MWh)
* 110%

The Cost of Energy shall be the NYISO final real-time Locational Based Marginal Price (“LBMP”) at the external node associated with the Delivery Point (as used in the NYISO market system for energy exports from the NYISO Balancing Authority Area into the New England Balancing Authority Area, as such pricing node is defined in NYISO Tariffs and as summarized in Table 1), for the real-time interval of the Emergency Energy delivery. For purposes of this calculation, a real-time LBMP for an interval is set to \$0.00 if the real-time LBMP in that interval was negative.

For ISO-NE as the delivering Party:

The Energy Charge portion of the Emergency Energy Charge for an hour equals the sum of the Energy Charges for each five minute settlement interval in the hour * 110%. For purposes of this calculation:

- (1) The Energy Charge for a five-minute settlement interval equals the amount of Emergency Energy (in MWh) scheduled in the settlement interval at the external node associated with the Delivery Point (as used in the New England market system for energy exports from the New England Balancing Authority Area into the NYISO Balancing Authority Area), adjusted for any curtailment, multiplied by the Cost of Emergency Energy in the settlement interval.
- (2) The Cost of Emergency Energy in a five-minute settlement interval equals the LMP at the external node associated with the Delivery Point for the settlement interval.

For purposes of this calculation, an LMP in a settlement interval is set to \$0.00 if the LMP in the settlement interval was negative.

Table 1

Delivery Points and Associated Pricing Nodes, as Modeled by the Delivering Party		
	External Nodes for Pricing Node for the Delivering Party (as modeled in the Delivering Party's system)	
Delivery Point	Delivering Party: ISO-NE	Delivering Party: NYISO
NY/NE Northern AC Interconnection (excludes the NNC (or 1385 Cable) Intertie)	.I.ROSETON 345 1 (4011)	N.E._GEN_SANDY PD (24062)
NNC Interconnection	.I.NRTHPORT 1385 (4017)	NPX_1385_GEN (323591)
CSC Interconnection	.I.SHOREHAM138 99 (4014)	NPX_GEN_CSC (323557)

The Transmission Charge portion of the Emergency Energy Charge (for an hour)

The Transmission charge portion of the Emergency Energy Charge to the Delivery Point for an hour shall equal the actual ancillary services costs and any transmission costs reasonably associated with the delivery of such Emergency Energy for an hour by the delivering Party to the Delivery Point pursuant to the applicable tariff of the delivering Party, as filed with and accepted by the governmental agency with jurisdiction over such tariff.

A.2. NYISO/ISO-NE Emergency Energy Transaction From Third Party Balancing Authority Area Supplier

These are requests made by NYISO or ISO-NE to deliver Energy to the other to address system balancing or other Reliability conditions present on the exporting system, which could not be accomplished through the market.

The charge for Emergency Energy supplied to a Party from a Third Party Balancing Authority Area supplier shall be calculated using the following two-part formula. The first part of the formula calculates the Energy Charge portion of the charge, which in this case includes the total charge (energy and transmission) that the Third Party Balancing Authority Area supplier charges for delivery of the Emergency Energy to the delivering Party's Balancing Authority Area border. The second part of the formula incorporates any Transmission Charges reasonably associated with the delivery of the Emergency Energy by the delivering Party through its system to the Delivery Point. It is expected that that all such Third Party Balancing Authority Area supplier charges will be in accordance with rates filed and accepted by the governmental body with jurisdiction over such rates.

The Energy Charge portion of the Emergency Energy Charge (for an hour)

The Energy Charge portion of the Emergency Energy Charge for an hour =
(Emergency Energy supplied in the hour in MWh)
* (Third Party Balancing Authority Area supplier's total charge for such energy in \$/MWh)

(Note: 10% adder does not apply to pricing of Emergency Energy from Third Party Balancing Authority Area suppliers.)

The Transmission Charge portion of the Emergency Energy Charge (for an hour)

The Transmission Charge portion of the Emergency Energy Charge to the Delivery Point for an hour shall equal the actual ancillary services costs and any transmission costs reasonably associated with the delivery of such energy for an hour to the Delivery Point pursuant to the applicable tariff of the delivering Party, as filed with and accepted by the governmental agency with jurisdiction over such tariff. Transmission costs would include, but not be limited to, any costs for congestion and losses that are associated with the delivery of such Emergency Energy through the delivering Party's Balancing Authority Area for an hour to the Delivery Point, as calculated by the amount of Emergency Energy supplied multiplied by: (1) when NYISO is the delivering Party, (the NYISO real-time LBMP of the external node at which the Emergency Energy exits the NYISO Balancing Authority Area minus the NYISO real-time LBMP of the external node at which the Emergency Energy enters the NYISO Balancing Authority Area); or (2) when ISO-NE is the delivering Party, (the ISO-NE real-time LMP of the external node at which the Emergency Energy exits the ISO-NE Balancing Authority Area minus the ISO-NE real-time LMP of the external node at which the Emergency Energy enters the ISO-NE Balancing Authority Area).

Schedule D: Coordinated Transaction Scheduling

WHEREAS, ISO-NE, as the regional transmission organization for the New England Transmission System and the administrator of the New England wholesale electricity markets, schedules the sale of energy by its Market Participants to, and the purchase of energy by its Market Participants from, neighboring Balancing Authority Areas, all in accordance with the ISO-NE Tariff, which includes the Open Access Transmission Tariff and ISO-NE market rules;

WHEREAS, ISO-NE is the administrator of the ISO-NE Tariff and is responsible for, among other matters, ensuring sufficient reserves are available to provide reliable service in its Balancing Authority Area, in accordance with the ISO-NE Tariff;

WHEREAS, the NYISO, as the independent system operator of the New York Transmission System and the administrator of the New York wholesale electricity markets, schedules the sale of energy by its Market Participants to, and the purchase of energy by its Market Participants from, neighboring Balancing Authority Areas, all in accordance with the NYISO Tariffs;

WHEREAS, the NYISO is the administrator of the NYISO Tariffs and is responsible for, among other matters, ensuring sufficient reserves are available to provide reliable service in its Balancing Authority Area, in accordance with the NYISO Tariffs;

WHEREAS, Coordinated Transaction Scheduling will improve interregional scheduling efficiency by taking into account relative price differences between the regions and scheduling bids and offers on a 15 minute basis at CTS Enabled Interfaces; and

WHEREAS, the Parties desire to schedule energy between their Balancing Authority Areas more efficiently, while continuing to ensure that each Party will maintain sufficient Operating Reserve available on its respective system to ensure the reliable operation thereof;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the Parties mutually agree as follows:

ARTICLE I

1.0 OVERVIEW OF COORDINATED TRANSACTION SCHEDULING

Coordinated Transaction Scheduling or “CTS” is an external transaction scheduling process implemented by the Parties at designated CTS Enabled Interfaces that allow real-time energy transactions to be scheduled based on a Market Participant’s willingness to purchase energy at a source External Proxy Bus (in the NECA, or in the NYCA) and sell it at a sink External Proxy Bus in the other Control Area if the forecasted price at the sink minus the forecasted price at the corresponding source is greater than or equal to the bid price. The rules set forth in this Schedule D only apply at CTS Enabled Interfaces.

In accordance with the terms of this Schedule D and the Parties’ respective tariffs, CTS Interface Bids are ordinarily evaluated on a 15-minute basis utilizing forecasted real-time prices and forecasted system information from NYISO and forecasted real-time prices and forecasted system information from ISO-NE. The evaluation will be performed by the NYISO’s Real-Time Commitment (RTC) optimization consistent with the rules specified in the NYISO Services Tariff and this Schedule D.

As part of the iterative CTS process, NYISO will share forward looking RTC interchange schedules with ISO-NE and these schedules will be used by ISO-NE as an input to develop a new set of forecasted prices and system information, which ISO-NE will then provide to NYISO for use in the next RTC optimization.

In accordance with Section 4 below, the RTC optimization will determine the External Interface Congestion component of the RTC LMP at a CTS Enabled Interface, which will subsequently be incorporated into the Parties’ real-time settlement LMPs.

Wheel-through transactions across a CTS Enabled Interface will be scheduled on an hourly basis. Wheels through the NYCA will use decremental or sink price cap bids at CTS Enabled Interfaces. Wheels through the NECA will use hourly CTS Interface Bids at CTS Enabled Interfaces for scheduling by the NYISO.

The Parties agree that CTS and its components will operate in accordance with this Schedule D and the terms of the Parties’ respective tariffs.

ARTICLE II

2.0 SUBMITTAL OF CTS INTERFACE BIDS

2.1 CTS Interface Bid Submittal by New England Responsible Settlement Parties and their Representatives

NYISO is hosting the platform used by both New York and New England Responsible Settlement Parties to submit CTS Interface Bids. New York RSPs shall submit and confirm bids at CTS Enabled Interfaces in accordance with the NYISO Tariffs.

Authorized New England RSPs shall have access to the bidding platform for purposes of submitting bids at CTS Enabled Interfaces between the NECA and the NYCA. Such access will be provided under equivalent terms and conditions to New York RSPs.

On an hourly or more frequent basis ISO-NE shall provide NYISO with: (a) a list of all New England RSPs that are authorized to submit or confirm bids at CTS Enabled Interfaces and (b) identification information for each representative (*i.e.*, an individual) that is authorized to submit or confirm bids at CTS Enabled Interfaces on behalf of a New England RSP. Only representatives designated by ISO-NE shall be permitted access to the platform that is used to submit bids at CTS Enabled Interfaces on behalf of a New England RSP. NYISO shall verify the authorization of a New England RSP and its representative at the time a bid is submitted, confirmed, modified or deleted. If it has been more than two hours since the NYISO last received from ISO-NE an updated list of all authorized New England RSPs and identification information for each representative that is authorized to submit or confirm bids at CTS Enabled Interfaces on behalf of a New England RSP, then NYISO shall not allow any New England RSP to access the platform that is used to submit bids at CTS Enabled Interfaces until an updated list is received.

In the event NYISO is not able to implement a new or changed status in a timely fashion, NYISO will inform ISO-NE of any delay it is aware of and the reason for the delay, and will implement the new or changed status as soon as possible.

2.2 Confirmation of New England Responsible Settlement Parties

A representative submitting an initial or revised CTS Interface Bid, or a bid to schedule a wheel through the NYCA at a CTS Enabled External Proxy Bus must belong to an authorized RSP in either NYISO or ISO-NE. In that submittal, the representative must identify the participating RSP in the other area. The other participating RSP must confirm the submittal of the CTS Interface Bid or bid to wheel through the NYCA, in order for the bid to be valid. A CTS Interface Bid or a bid to wheel through the NYCA can be withdrawn by either participating RSP; no confirmation is required.

An RSP may establish a Confirmed Trust Relationship with another RSP such that the required confirmation will be automatically granted for any submittal of a CTS Interface Bid or bid to wheel through the NYCA at a CTS Enabled External Proxy Bus that is submitted by the trusted RSP and includes both RSPs as parties to the transaction. Upon representative action to submit, update or revoke a Confirmed Trust Relationship, NYISO shall verify that (i) the submittal identifies two authorized RSPs, one in New York and one in New England and (ii) the representative belongs to the RSP that is granting the Confirmed Trust Relationship to the other RSP.

Upon representative action to submit or confirm an initial or revised CTS Interface Bid or bid to wheel through the NYCA, or to withdraw a CTS Interface Bid or bid to wheel through the NYCA at a CTS Enabled External Proxy Bus, the NYISO shall verify that (i) the submittal identifies two valid RSPs, one in New York and one in New England, and (ii) the representative belongs to an RSP that is identified on the submittal. If a Confirmed Trust Relationship exists between the two authorized RSPs and the action is taken by a representative that is associated

with a trusted RSP to submit or confirm an initial or revised CTS Interface Bid or bid to wheel through the NYCA, the bid shall be deemed submitted and confirmed, or the revision confirmed.

Upon receiving ISO-NE's notice of suspension or termination of a New England RSP, which ISO-NE shall do consistent with its authority under the ISO-NE Tariff, NYISO will promptly:

1. cease honoring Confirmed Trust Relationships associated with the suspended or terminated New England RSP;
2. within the real-time market day on which NYISO receives the instruction from ISO-NE, remove the suspended or terminated New England RSP's bids at CTS Enabled Interfaces that are offered in the NECA to NYCA direction;
3. within the real-time market day on which NYISO receives the instruction from ISO-NE, remove bids at CTS Enabled Interfaces that are offered in the NECA to NYCA direction that include the New England RSP as a trusted RSP;
4. for all real-time market days subsequent to the real-time market day on which NYISO receives the instruction from ISO-NE, remove all of the suspended or terminated New England RSP's bids at CTS Enabled Interfaces; and
5. for all real-time market days subsequent to the real-time market day on which NYISO receives the instruction from ISO-NE, remove all bids at CTS Enabled Interfaces that include the suspended or terminated New England RSP as a trusted RSP.

The five changes enumerated above will be effectuated prospectively. The Parties will not effectuate changes one through three for a real-time market hour in which RSPs are no longer able to submit or modify bids.

ISO-NE will curtail the e-tags for the transactions associated with the bids NYISO is required to remove under the rules set forth above.

In the event NYISO is not able to implement a new or changed status that is addressed in this Section 2.2 in a timely fashion, NYISO will inform ISO-NE of any delay it is aware of and the reasons for the delay, and will implement the new or changed status as soon as possible.

If the NYISO is unable to verify that the required confirmations have been received, then the CTS Interface Bid or bid to wheel through the NYCA shall not be considered in the RTC optimization.

If the NYISO is not able to validate an RSP or a representative, then that entity or person will not be able to submit, modify, confirm or delete a CTS Interface Bid or a bid to wheel through the NYCA.

ARTICLE III

3.0 CALCULATION OF ISO-NE SUPPLY PRICE POINTS

Each quarter-hour, ISO-NE shall calculate a set of forecast energy prices at its External Proxy Buses for each CTS Enabled Interface corresponding to varying interchange levels on that interface. The results will be provided to NYISO as increasing MW-price pairs, where the MW value represents a net interchange level on the CTS Enabled Interface and the price value represents ISO-NE's forecast of its real-time LMP for its External Proxy Bus at that net interchange MW level. ISO-NE will provide no fewer than one and no more than 11 MW-price pairs for each of ten consecutive quarter-hour intervals, which are referred to as the "ISO-NE Supply Price Points."

The ISO-NE Supply Price Points are created with a forward-looking, security-constrained economic dispatch system that co-optimizes energy and reserve requirements. This forward-looking co-optimization will assume the same units are committed as are previously committed, or scheduled to be committed, in ISO-NE's real-time production system. The energy from currently uncommitted fast-start generation will also be considered for dispatch in the forward-looking co-optimization. ISO-NE Supply Price Points shall be calculated using the current production data for load forecasts, active transmission constraints, state estimator data, Market Participant energy re-offers, wind forecasts, forecasted net interchange on all Interconnections (including forward looking RTC interchange schedules provided by NYISO), and operator updates to resource limits.

ARTICLE IV

4.0 SCHEDULING EXTERNAL TRANSACTIONS AT CTS ENABLED INTERFACES

4.1 Evaluation of CTS Interface Bids

The RTC will use the CTS Interface Bids and the ISO-NE Supply Price Points to economically schedule the CTS Interface Bids and determine the net interchange schedules. The economic scheduling of the CTS Interface Bids will be performed simultaneously with the scheduling of internal NYCA resources and external transactions at other NYCA Interconnections.

For an RTC optimization that schedules hourly CTS Interface Bids, the RTC will use the ISO-NE Supply Price Points for each 15-minute interval of the hour. An hourly CTS Interface Bid will be scheduled if it is economic for the hour.

For an RTC optimization that schedules CTS Interface Bids at 15-minute intervals, the RTC optimization will use ISO-NE Supply Price Points that have been adjusted to account for the hourly RTC external transaction schedules established at CTS Enabled Interfaces, including any scheduled Emergency Energy.

When there are multiple CTS Interface Bids at the same bid price but not all of them can be economically scheduled, the CTS Interface Bids with the same price will be scheduled pro-rata.

The RTC optimization incorporates Ramp Limits and Transfer Limits in the manner described in Section 5 of this Schedule D to economically schedule CTS Interface Bids and shall determine: (1) the net interchange schedule for each CTS Enabled Interface, (2) the RTC LMP for each CTS Enabled External Proxy Bus, and (3) the External Interface Congestion at each CTS Enabled Interface.

4.2 External Interface Congestion Price Assignment

The RTC optimization will determine the External Interface Congestion at an External Proxy Bus for a CTS Enabled Interface if the net interchange schedule is limited in the RTC solution due to one or more of the following four reasons: (i) there are more economic transactions offered in a common direction (import or export) than the Transfer Limit of the External Proxy Bus can accommodate, or (ii) there are fewer economic transactions offered in a common direction (import or export) than the Transfer Limit requires, or (iii) the NYCA (system-wide) Ramp Limit prevents the RTC from scheduling one or more external transactions at the External Proxy Bus consistent with the economics of the underlying bids, or (iv) a Ramp Limit prevents the RTC from scheduling one or more external transactions consistent with the economics of the underlying bids (collectively, the “External Proxy Bus Constraints”).

Whenever an External Proxy Bus Constraint at a CTS Enabled Interface is limiting in the RTC optimization, the External Interface Congestion at the External Proxy Bus will be assigned, in whole or in part, as set forth below.

ISO-NE Limiting: If the RTC optimization is limited by a Transfer Limit determined by an ISO-NE Operating Reserve limitation, an ISO-NE minimum generation limitation, or an ISO-NE capacity deliverability limit, including when the Transfer Limit is adjusted in accordance with Section 5.4 of this Schedule D to accommodate the Ramp Limit while implementing one of these limitations, then the portion of the External Interface Congestion associated with the External Proxy Bus Constraint shall be assigned to ISO-NE.

NYISO Limiting: If the RTC optimization is limited by NYCA-wide Ramp Limits, then the portion of the External Interface Congestion associated with the External Proxy Bus Constraint shall be assigned to NYISO.

NYISO and ISO-NE Limiting: If the RTC optimization is limited by any Ramp Limit or Transfer Limit that is not specifically addressed in the “ISO-NE Limiting” or “NYISO Limiting” paragraphs above, or by any Transfer Limit or Ramp Limit that results from an operator override, as described in Section 5.2.5 of this Schedule D, the portion of the External Interface Congestion for a CTS Enabled Interface that is associated with an External Proxy Bus Constraint shall be assigned to both Parties equally.

The RTC solution may be limited by multiple External Proxy Bus Constraints simultaneously. If this occurs, the foregoing rules will apply to each External Proxy Bus Constraint.

If there are not sufficient CTS Interface Bid MWs offered to achieve a Transfer Limit, RTC will schedule the available MWs. In these circumstances, RTC will determine the External Interface Congestion at the External Proxy Bus based on the NYISO's Transmission Shortage Costs as defined in the NYISO Tariff.

In order to provide consistent price signals between their respective real-time energy markets, the Parties shall each incorporate the foregoing process into the real-time settlement LMP at their External Proxy Bus for each CTS Enabled Interface.

ARTICLE V

5.0 CTS ENABLED INTERFACE OPERATING RULES

5.1 CTS Enabled Interface Ramp Limits

The default quarter-hour Ramp Limit for the NY/NE Northern AC Interconnection will be mutually agreed to by the Parties and posted on the NYISO's OASIS.

The default top-of-the-hour Ramp Limit for the NY/NE Northern AC Interconnection (for use when quarter-hour scheduling is unavailable) will be mutually agreed to by the Parties and posted on the NYISO's OASIS.

In real-time operations, when necessary to protect reliability, the Parties may mutually agree to temporarily change the Ramp Limit(s) at any CTS Enabled Interface. The Parties shall restore the modified Ramp Limit to the posted default Ramp Limit as soon as reliable system operations permit and it is practicable to do so.

5.2 Transfer Limits Reflecting Reliability Conditions

A Transfer Limit sets the minimum or maximum net interchange that can be scheduled on a CTS Enabled Interface in the RTC solution. Factors that can set the Transfer Limits include the following:

1. normal scheduling limits;
2. Operating Reserve limitations;
3. minimum generation limitations;
4. capacity requests;
5. operator overrides.

5.2.1 Normal Scheduling Limits

The normal scheduling limit for a CTS Enabled Interface is the amount of electric power that can normally be transferred over a CTS Enabled Interface. The Parties may mutually agree to change the normal scheduling limits that are used at CTS Enabled Interfaces due to

transmission outages, generation outages or other changes in system conditions. In the event the change to a normal scheduling limit is planned in advance, the Parties will make reasonable efforts to change the values in time to be included in the clearing of their respective day-ahead energy markets and be publicly posted prior to implementation. For the real-time operating day, ISO-NE will send its normal scheduling limits at each CTS Enabled Interface to the NYISO via the electronic data exchange to cover the same ten consecutive quarter-hour intervals as ISO-NE's Supply Price Points.

5.2.2 *Operating Reserve Limitations*

If one Control Area experiences an Operating Reserve deficiency, the other Control Area is not obligated to go deficient in its reserves of the same or a higher quality product, but may go deficient in a lower-quality reserve product in order to prevent an Operating Reserve deficiency of a higher quality reserve product in the other Control Area. To ensure these mutual reliability objectives can be satisfied, the Parties may modify the Transfer Limits in certain conditions as described below.

The RTC optimization procures reserves to meet the NYISO's reserve requirements and prices shortages of reserves using the NYISO's Operating Reserve demand curves. The RTC does not have information on the amount of Operating Reserve in the NECA. Therefore, at CTS Enabled Interfaces, ISO-NE will use the electronic data exchange to provide to NYISO both the ISO-NE Supply Price Points and Transfer Limit values that reflect the net interchange required to meet ISO-NE's 10-minute and 30-minute reserve requirements. When calculated, these values will reflect the net interchange required to meet ISO-NE's 10-minute and 30-minute reserve requirements for the same ten consecutive quarter-hour intervals for which ISO-NE's Supply Price Points are provided. ISO-NE will calculate these Transfer Limit values for each interval based on the Operating Reserve surplus in the NECA when applying the forecasted RTC net interchange on the CTS Enabled Interface. For the purposes of Schedule D, the ISO-NE Transfer Limit associated with the 10-minute reserve requirement will always be less restrictive than the Transfer Limit associated with the ISO-NE 30-minute reserve requirement. When ISO-NE sends Transfer Limits that are associated with Operating Reserve requirements, the ISO-NE Supply Price Points must also reflect those expected reserve shortage prices. RTC will evaluate whether the ISO-NE Transfer Limit would preclude NYISO from meeting its reserve requirements for an equal or higher quality reserve product. If so, RTC may adjust the Transfer Limit in accordance with Section 5.3 of this Schedule D, based on the principles set forth in the preceding paragraph.

5.2.3 *Minimum Generation Limitations*

The RTC optimization dispatches the NYISO system's internal generation as needed when the NYCA approaches minimum generation conditions. The RTC does not have information to assess minimum generation conditions within the NECA. Therefore, at CTS Enabled Interfaces, ISO-NE will use the electronic data exchange to provide to NYISO Transfer Limit values that reflect the net interchange level beyond which ISO-NE cannot further dispatch down internal generation while maintaining reliable operations. When ISO-NE sends Transfer Limits for this purpose, the ISO-NE Supply Price Points must also reflect these requirements.

ISO-NE shall not send, and NYISO is not required to enforce, a minimum generation Transfer Limit that would require the NYCA to accept energy from the NECA.

ISO-NE shall not send both a minimum generation Transfer Limit and Operating Reserve Transfer Limits at the same time.

5.2.4 *Capacity Transfer Limits*

Day-Ahead Coordination

NYISO will provide its day-ahead operating plan to ISO-NE. Once ISO-NE determines that it expects to count on capacity resources located in New York to meet its reserve requirements, ISO-NE shall inform NYISO of the expected capacity call.

Real-Time Coordination

ISO-NE Capacity Requests at CTS Enabled Interfaces:

ISO-NE may request delivery of energy from capacity resources located in the NYCA that have obligations in the ISO-NE capacity market over a CTS Enabled Interface. The ISO-NE operator will call the NYISO operator to initiate the capacity request. Upon receiving the request, the NYISO operator will confirm what amount of the capacity request is deliverable based on projected transmission constraints (“Capacity Deliverable to ISO-NE”). If the Capacity Deliverable to ISO-NE is non-zero, RTC will determine the ISO-NE capacity that is available based on offers submitted by NYCA generators that have sold their capacity to ISO-NE and are projected to be available in real-time, subject to any real-time derates (“Capacity Available to ISO-NE”).

Transactions to wheel capacity through the NYCA will be excluded from the ISO-NE/NYISO capacity request process.

NYISO Capacity Requests at CTS Enabled Interfaces:

If the NYISO projects the ISO-NE real-time capacity request could cause the NYISO to become capacity deficient, the NYISO may request delivery of energy associated with capacity resources located in ISO-NE that have an obligation in the NYISO capacity market over a CTS Enabled Interface. The NYISO operator will call the ISO-NE operator to initiate the capacity request. The NYISO will require that its eligible New England-based capacity submit CTS Interface Bids to be evaluated by RTC. It will be up to the supplier of New England-based capacity to ensure that the resource(s) backing capacity transactions are available to deliver their capacity to New York when they are called on to do so. At the time of the request, the ISO-NE operator will determine whether all or any part of the generation supporting the capacity is available and deliverable (“Capacity Available to NYISO”).

Section 5.3 of this Schedule D sets forth how capacity data and Operating Reserve limitations are used to establish a Transfer Limit.

5.2.5 *Operator Override Transfer Limits*

Real-time system conditions may require that a NYISO or ISO-NE operator override the Transfer Limit to establish the flow that can be transferred over a CTS Enabled Interface in a reliable manner. Except when necessary to protect reliability, an operator override shall not be used to submit limits that can be submitted via the electronic data exchange.

5.3 Establishing Transfer Limits for RTC

RTC determines a net interchange for each interval that must be a value between an upper bound and lower bound. In this section, the high Transfer Limit is the upper bound on that range and the low Transfer Limit is the lower bound on that range. The rules in this Section 5.3 detail how the inputs from Section 5.2, which are first tested against the criteria set forth in Section 7.2, are used to determine the high and low Transfer Limits in RTC for each quarter-hour interval. For purposes of this Section 5.3, a positive value represents flow from New England to New York, and a negative value represents flow from New York to New England. The values associated with an ISO-NE capacity request, Capacity Deliverable to ISO-NE and Capacity Available to ISO-NE are all negative.

1. When a Minimum Generation Transfer Limit is provided by ISO-NE in accordance with Section 5.2.3, that value is the low Transfer Limit at a CTS Enabled Interface.
2. When ISO-NE provides Operating Reserve Transfer Limits but has not requested capacity from NYISO, the following rules are applied to determine the high Transfer Limit at a CTS Enabled Interface:
 - a) If the ISO-NE 30-minute Operating Reserve Transfer Limit is greater than or equal to zero, then:
 - i. If enforcing the ISO-NE 30-minute Operating Reserve Transfer Limit is projected to cause the NYISO to have a deficiency of 10-minute Operating Reserve, the high Transfer Limit is the minimum value that is not projected to result in a NYISO 10-minute Operating Reserve deficiency;
 - ii. Otherwise the high Transfer Limit is the ISO-NE 30-minute Operating Reserve Transfer Limit.
 - b) If the ISO-NE 30-minute Operating Reserve Transfer Limit is less than zero, then:
 - i. If enforcing the ISO-NE 30-minute Operating Reserve Transfer Limit is projected to cause the NYISO to have a deficiency of 30-minute Operating Reserve but is not projected to cause the NYISO to have a deficiency of 10-minute Operating Reserve, then the high Transfer Limit is the lesser of (a) the minimum value that is not projected to result in a NYISO 30-minute Operating Reserve deficiency, or (b) zero;

- ii. If enforcing the ISO-NE 30-minute Operating Reserve Transfer Limit is projected to cause the NYISO to have a deficiency of 10-minute Operating Reserve, then the high Transfer Limit is the minimum value that is not projected to result in a NYISO 10-minute Operating Reserve deficiency;
 - iii. Otherwise the high Transfer Limit is the ISO-NE 30-minute Operating Reserve Transfer Limit.
3. When ISO-NE has requested capacity from NYISO, the high Transfer Limit at a CTS Enabled Interface shall be the greater of:
 - a) the ISO-NE 30-minute Operating Reserve Transfer Limit, or
 - b) [the minimum of (i) the total quantity of CTS Interface Bids backing Capacity Available to NYISO or (ii) the Capacity Available to NYISO] plus [the maximum of (iii) the ISO-NE capacity request, (iv) the Capacity Deliverable to ISO-NE or (v) the Capacity Available to ISO-NE].
4. When system conditions require that either a low or high Transfer Limit be overridden by the NYISO or ISO-NE operator to establish the flow that can be transferred over a CTS Enabled Interface in a reliable manner, the override shall establish the low or high Transfer Limit.
5. Otherwise, the NYISO shall use the normal scheduling Transfer Limit at a CTS Enabled Interface, as described in Section 5.2.1.

5.4. Interaction Between Transfer Limits and Ramp Limits

- a) Except as provided in 5.4(b), when the NYISO's RTC is provided Transfer Limits that would cause it to develop net interchange schedules at a CTS Enabled Interface with ISO-NE that exceed the Ramp Limits, RTC will reset the provided Transfer Limits to ensure the agreed Ramp Limits are not exceeded.
- b) If any Transfer Limit, other than a normal scheduling limit, is implemented via an operator override, then RTC shall permit the agreed Ramp Limits to be exceeded in order to enforce the Transfer Limit.

ARTICLE VI

6.0 SETTLEMENT PROVISIONS

ISO-NE shall settle CTS Interface Bids and other bids and offers scheduled at CTS Enabled Interfaces with its Market Participants in accordance with the rules set forth in the ISO-NE Tariff.

The NYISO shall settle CTS Interface Bids and other bids scheduled at CTS Enabled Interfaces, with its Market Participants in accordance with the rules set forth in the NYISO Tariffs.

Each Party shall address settlement-related corrections and disputes regarding that Party's settlement of CTS transactions in accordance with the settlement correction and dispute resolution provisions set forth in that Party's tariff(s).

Each Party agrees to provide support, including information and data that isn't otherwise available to the other Party, when the requested information is necessary to assist the requesting Party in addressing a settlement (but not price) correction or a settlement-related dispute between the requesting Party and one or more of its Market Participants regarding the settlement of CTS transactions.

If an erroneous price is determined at a CTS Enabled External Proxy Bus, independent of any price correction process ISO-NE may utilize, the NYISO shall follow the price correction process set forth in Attachment E to its Market Administration and Control Area Services Tariff.

If an erroneous price is determined at a CTS Enabled External Proxy Bus, independent of any price correction process NYISO may utilize, ISO-NE shall follow the price correction process set forth in the ISO-NE Tariff.

ARTICLE VII

7.0 NON-STANDARD CTS OPERATION

7.1 Permitted Modifications to ISO-NE Supply Price Points

In the event NYISO does not receive the ISO-NE Supply Price Points before it commences the RTC optimization, then the last set of ISO-NE Supply Price Points used to perform an RTC optimization will be used in the RTC optimization to determine the net interchange schedule until the NYISO receives and successfully validates a new set of ISO-NE Supply Price Points.

If one or more quarter-hour intervals within the ISO-NE Supply Price Points fail the NYISO's input checks, the last set of ISO-NE Supply Price Points used to perform an RTC optimization will be used in the RTC optimization.

When ISO-NE Supply Price Points do not cover the full quantity (in MWs) of bids that are evaluated by RTC, then the last pricing point on either end of the ISO-NE Supply Price Points will be extended by NYISO to cover all the bids and offers that are evaluated by RTC.

7.2 Permitted Modifications to ISO-NE Transfer Limits

In the event NYISO does not receive ISO-NE Transfer Limits or operator override values have not been entered before an RTC optimization commences, then the last set of ISO-NE Transfer Limits used to perform an RTC optimization will be used in the current RTC optimization.

If one or more quarter-hour intervals within the ISO-NE Transfer Limits fail any of the NYISO's input checks, including the input checks listed below, the last set of ISO-NE Transfer Limits used to perform an RTC optimization will be used in the RTC optimization.

- A Minimum Generation Transfer Limit and Operating Reserve Transfer Limits will not be sent at the same time.
- The Minimum Generation Transfer Limit will be less than or equal to zero.
- If an ISO-NE 10-minute Operating Reserve Transfer Limit is provided, an ISO-NE 30-minute Operating Reserve Transfer Limit will also be provided.
- The ISO-NE 30-minute Operating Reserve Transfer Limit will be less than the ISO-NE 10-minute Operating Reserve Transfer Limit.

7.3 Hourly Scheduling Under CTS

The Parties may agree to temporarily employ hourly scheduling in RTC on a CTS Enabled Interface when necessary to ensure or preserve system reliability or when not able to implement schedules as expected due to software or communication issues.

ARTICLE VIII

8.0 JOINT ENERGY SCHEDULING SYSTEM CUSTOMER SERVICE; MAINTENANCE; SUSPENSION OF CTS; COOPERATION

8.1 Joint Energy Scheduling System Customer Service

The NYISO developed and maintains the Joint Energy Scheduling System (“JESS”) platform that both New York RSPs and New England RSPs use to submit bids at CTS Enabled Interfaces.

1. Each Party is the primary customer service contact for its respective Market Participants.
2. ISO-NE will have read-only access to bids associated with New England Market Participants at CTS Enabled Interfaces on the JESS platform.

8.2 Maintenance

Subject to reasonable expectations, it is the Parties’ goal that the data links, software, and other systems necessary to implement CTS are available continuously. The Parties agree to employ regular maintenance, including scheduled maintenance outages when needed, to meet that goal.

In the event of a problem with a data link, software, computational system or data system, the responsible Party will use reasonable efforts to promptly address the problem. The Parties shall work together and shall keep each other informed regarding the problem and its resolution.

The Parties shall inform each other in advance of any scheduled testing activities or maintenance outages that will affect a CTS Enabled Interface. Notice shall be provided sufficiently in advance to allow each ISO to inform its Market Participants of any impacts on the operation of CTS.

8.3 Suspension of CTS

The Parties may suspend the scheduling of CTS transactions at CTS Enabled Interfaces due to: (1) the inability of the NYISO to receive bids for a CTS Enabled Interface; (2) a failure or outage of the data link between the Parties that prevents the timely exchange of information necessary to implement CTS transactions; (3) the actual or suspected failure of any software, computational, or data system that is necessary to implement CTS transactions; (4) the need to verify the functionality of the tools that are necessary to implement CTS; or (5) when necessary to ensure or preserve NYISO or ISO-NE system reliability.

A Party that determines that any of the foregoing conditions have occurred shall, as soon as practicable, notify the other Party.

The Parties shall resolve issues causing the failure or outage of the data link, software, computational systems, or data systems as soon as possible, and will use reasonable efforts to promptly address the problem. The Parties shall work together and shall keep each other informed regarding the problem and its resolution. The Parties shall resume implementation of CTS following, as applicable, the successful testing of the data link or relevant system(s) after the inability to receive offers or bids, failure, or condition is resolved, or after the resolution of the system reliability issue.

When CTS is suspended the Parties shall mutually agree to interchange schedules at CTS Enabled Interfaces.

8.4 Cooperation

The Parties will cooperate to review the data and mutually identify or resolve errors and anomalies. If one Party determines that it is required to self-report a potential violation to the Commission's Office of Enforcement regarding its compliance with this Schedule D, the reporting Party shall inform, and provide a copy of the self-report to the other Party. Any such report provided by one Party to the other shall be Confidential Information.

ARTICLE IX

9.0 CTS CHANGE MANAGEMENT PROCESS

9.1 Notice

Prior to materially changing any tariff language, software or process that is directly involved in implementing this Schedule D, the Party desiring the change shall notify the other Party's data exchange contact appointed under the Coordination Agreement, in writing or via email, of the proposed change. The notice shall include a complete and detailed description of the proposed change, the reason for the proposed change, and the impacts the proposed change is expected to have on the implementation of CTS.

9.2 Opportunity to Request Additional Information

Following receipt of the Notice described in Section 9.1, the receiving Party may make reasonable requests for additional information/documentation from the other Party. This may include a request by a Party to be involved in the testing of the changes. Absent mutual agreement of the Parties, the submission of a request for additional information under this Section shall not delay the obligation to timely note any objection pursuant to Section 9.3, below.

9.3 Objection to Change

Within ten business days after receipt of the Notice described in Section 9.1 (or within such longer period of time as the Parties mutually agree), the receiving Party may notify in writing or via email the other Party of its disagreement with the proposed change. Any such notice must specifically identify and describe the concern(s) that required the receiving Party to object to the described change.

9.4 Implementation of Change

The Party proposing a change to a process that is directly involved in implementing this Schedule D shall not implement such change until (a) it receives written or email notification from the other Party that the other Party concurs with the change, or (b) the receiving Party fails to notify in writing or via email the other Party of its disagreement with the proposed change within the notice period specified in Section 9.3, or (c) completion of any dispute resolution process initiated pursuant to this Agreement.

ARTICLE X

10.0 AUDITS, CERTIFICATION AND TESTING

Each Party shall provide to the other Party the results of any certification or audit it procures regarding CTS-related software functions, subject to the following conditions: (1) the disclosure may be limited to the portions of the certification or audit that addresses the CTS-related software, and need only include the portions of the certification or audit that address the CTS-related functioning of the software; (2) if the providing Party indicates that the certification or audit is Confidential Information it shall be treated as such by the receiving party; and (3) this provision does not require a Party to disclose information that is subject to a legal privilege.

Before CTS is implemented, and upon any material changes to any components thereof, the Parties shall test the processes and component software.

Each Party shall, at its sole expense, take appropriate actions to address any actual or apparent breach of cyber security related to CTS, and shall provide prompt notification to the other Party of any such incident.

Each party will undertake an annual Service Organization Controls report that covers CTS process-related controls prepared and opined by its external auditors in accordance with Statement on Standards for Attestation Engagements No. 16 or AICPA/CICA Principles and

Criterion for System Reliability (SSAE 16 engagement). The NYISO report will include controls related to the Joint Energy Scheduling System bidding platform.

Each Party shall promptly provide to the other Party the results of its annual Service Organization Controls report, subject to the following conditions: (1) the disclosure may be limited to the portions of the report or audit that address CTS, and need only include the portions of the report or audit that address CTS; (2) if the providing Party indicates that the certification or audit is Confidential Information it shall be treated as such by the receiving party; and (3) this provision does not require a Party to disclose information that is subject to a legal privilege.