

3.1 Effectiveness

The ISO Services Tariff shall become effective on the latest of: (i) Commission approval of: (a) the ISO OATT, (b) the ISO Services Tariff, (c) the ISO Agreement, (d) the NYSRC Agreement, (e) the ISO/NYSRC Agreement, and (f) the ISO/TO Agreement; (ii) the date on which both the Commission and the PSC grant all necessary approvals to the Member Systems to transfer Operational Control of any facilities to the ISO or otherwise dispose of any of their property, including, without limitation, those approvals required under Section 70 of the New York Public Service Law (“PSL”) and Section 203 of the Federal Power Act (“FPA”); (iii) the last date that any other approval or authorization is received, to the extent such additional approval or authorization is necessary; (iv) execution of the ISO Related Agreements with the exception of any Operating Agreement; or (v) such later date specified by the Commission.

3.2 Term and Termination

The ISO Services Tariff shall remain in effect until: (i) canceled by the ISO upon sixty (60) days prior written notice in accordance with applicable Commission regulations; or (ii) the effective date of any law, order, rule, regulation, or determination of a body of competent jurisdiction requiring termination or a material modification of the ISO Services Tariff and/or the Service Agreements executed pursuant to the terms of the Tariff (See Attachment A) that would be inconsistent with any material term or provision of the ISO/TO Agreement. Any Customer may withdraw from the Tariff on thirty (30) days prior notice to the ISO; provided, however, that an LSE is required to be a Customer and comply with applicable requirements of the Tariff as long as it continues to serve Load in the NYCA.

3.5 ISO Procedures

The ISO shall develop, and modify as appropriate, procedures for the efficient and non-discriminatory operation of the ISO Administered Markets and for the safe and reliable operation of the NYCA in accordance with the terms and conditions of the Tariff. All such procedures must be consistent with Good Utility Practice.

3.5.1 Market Problems Reporting Procedure

Upon ISO discovery of a potential Market Problem, the ISO will immediately report the Market Problem to the Market Monitoring Unit and to the Commission's Office of Enforcement.

The ISO will then report the Market Problem to Market Participants, subject to applicable confidentiality restrictions, unless it is determined in consultation with Commission staff that disclosure could lead to gaming or other harmful outcomes. The report will also be provided to Market Participants in an e-mail notice with this subject line: "Notice of a Market Problem."

The ISO will accomplish all three of the above steps as soon as possible, but in no event longer than five calendar days after discovery of the potential Market Problem.

In the event of a determination that disclosure of a Market Problem could lead to gaming or other harmful outcomes, ISO, unless otherwise directed by Commission staff, will provide notice to the Market Participants of the identification of a potential Market Problem and the conduct of a confidential investigation. Thereafter, the ISO shall consult with Market Participants as soon as practicable after resolution of the underlying issue pursuant to direction from the Commission.

In the event of an exigent circumstances filing of tariff amendments pursuant to Article 19 of the ISO Agreement, this consultation would include seeking concurrence on the Section 205 filing from the Management Committee.

If no exigent circumstances filing is made, the ISO will provide an opportunity for Market Participants to comment prior to a request to FERC for a tariff waiver or other remedy. In the ISO's reports to Market Participants, subject to applicable confidentiality restrictions, the NYISO will provide the following information:

- Description of the Market Problem and tariff implications as appropriate;
- Description of the time frame involved;
- Description of underlying cause of the Market Problem;
- Description of economic impacts; and
- Description of steps planned or taken to address the Market Problem including a proposed timetable for the developing necessary tariff revisions, if applicable, as developed in consultation with Market Participants. The ISO will also report when it determines a Market Problem investigation has concluded.

Except where a longer period of analysis is required, the ISO will provide an explanation to all Market Participants of its proposed steps to address the Market Problem as soon as reasonably possible, but in no event later than 30 calendar days of its initial notice to Market Participants and the ISO shall make staff available to discuss proposed remedy at the appropriate working group or committee with advance notice to all Market Participants. Where a longer period of analysis is required, the ISO will provide updates to Market Participants at least quarterly.

3.5.2 Provision of Data By Market Participants

Whenever requested by the ISO, each LSE shall provide the ISO with a forecast of the Loads for which it is responsible for the particular time period designated by the ISO. Customers shall inform the ISO, in accordance with the ISO Procedures, of the Availability of Generators within the NYCA subject to a Customer's control by Energy contract, ownership or otherwise. Additionally, the Transmission Owners will provide megawatt, megavar, voltage

readings, transmission system data (facility ratings and impedance data), and maintenance schedules for all Transmission Facilities Under ISO Operational Control, and any person or entity that owns transmission facilities associated with an award of Incremental TCCs under Section 19.2.2 of Attachment M to the ISO OATT shall be responsible for providing the same data and schedules to the ISO. For Transmission Facilities Requiring ISO Notification, the Transmission Owners shall inform the ISO of all changes in the status of the designated transmission facilities. Transmission Owners and persons or entities that own transmission facilities associated with an award of Incremental TCCs shall provide such data and schedules pursuant to applicable provisions of the ISO Procedures. Suppliers will provide data on Generator status and output including maintenance schedules, Generator scheduled return dates (inclusive of return to service from maintenance, forced outages, partial unit outages or an increase in the forecasted Host Load of a Behind-the-Meter Net Generation Resource in real-time compared to the forecasted Host Load submitted as part of its Energy Bid in the Day-Ahead Market that resulted in a significant reduction in a generating unit's or a Behind-the-Meter Net Generation Resource's ability to produce Energy in any hour), and Generator machine data, in accordance with the ISO Procedures. These data shall also include Generator Incremental/Decremental Bids, operating limits, response rates, megawatt, megavar, and voltage readings. Energy Storage Resources are required to provide a real-time Energy Level signal to the NYISO in accordance with ISO Procedures.

3.5.3 Provision of Data By Transmission Owners to Each Other

Each Transmission Owner shall make available information regarding its Transmission Facilities Under ISO Operational Control, Transmission Facilities Requiring ISO Notification, and Local Area Transmission Facilities to the other Transmission Owners in the New York

Control Area as follows: (i) a Transmission Owner must make available the maintenance schedules for its transmission facilities described above to any other Transmission Owner in the New York Control Area whose facilities would be directly impacted by the maintenance schedules; and (ii) a Transmission Owner must make available to all other Transmission Owners in the New York Control Area the results of its investigations of equipment malfunctions and failures and forced transmission outages of its transmission facilities described above. Except for such information posted by the ISO pursuant to its outage scheduling procedures, each Transmission Owner shall treat such information as Confidential Information and restrict access to only those persons authorized to view such information by FERC's Standards of Conduct in 18 C.F.R § 358, and, if more restrictive, by each Transmission Owner's board resolutions, tariff provisions, or other internal policies governing access to, and the sharing of Transmission System Information as that term is defined in Attachment F of the ISO OATT.

3.6 Survival

Upon termination, expiration or cancellation of the ISO Services Tariff or any related Service Agreement, in accordance with their terms, the provisions of the Tariff, and any Service Agreement, shall remain in effect to the extent necessary to permit the conclusion of: (i) transactions previously initiated by the ISO hereunder; and (ii) billing, payment and accounting with respect to all matters arising hereunder or pursuant to a Service Agreement. Additionally, any provisions of the ISO Services Tariff or a Service Agreement which expressly survive termination or cancellation of the ISO Services Agreement or Services Tariff shall remain in effect in accordance with those provisions.