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## **I.1 Purpose and Components of this Tariff; ISO Objectives**

### **I.1.1 Purpose of this Tariff:**

This Tariff provides the rates, terms and conditions for transmission, market and other services provided by the ISO within the New England Control Area.

### **I.1.2 Components of this Tariff:**

This Tariff includes the following components:

- (a) these general terms and conditions (Section I) and the ISO New England Financial Assurance Policy (Exhibit IA) and the ISO New England Billing Policy (Exhibit ID);
- (b) the ISO Open Access Transmission Tariff (the “OATT”) (Section II);
- (c) the ISO Market Rule 1 (Section III);
- (d) provisions for the recovery of the ISO’s administrative expenses and the ISO's capital funding arrangements (Section IV); and
- (e) other attachments, including a *pro forma* Market Participant Service Agreement (Attachment A)

### **I.1.3 Mission of ISO:**

The mission of ISO is (through means including, but not limited to, planning, central dispatching, coordinated maintenance of electric supply and demand-side resources and transmission facilities, obtaining emergency power for Market Participants from other Control Areas, system restoration (where required), the development of market rules, the provision of an open access regional transmission tariff and the provision of a means for effective coordination with other control areas and utilities situated in the United States and Canada):

- (a) to assure the bulk power supply of the New England Control Area conforms to proper standards of reliability;
- (b) to create and sustain open, non-discriminatory, competitive, unbundled markets for energy, capacity, and ancillary services (including Operating Reserves) that are (i) economically efficient and balanced between buyers and sellers, and (ii) provide an opportunity for a participant to receive compensation through the market for a service it provides in a manner consistent with proper standards of reliability and the long-term sustainability of competitive markets;
- (c) to provide market rules that (i) promote a market based on voluntary participation, (ii) allow market participants to manage the risks involved in offering and purchasing services, and (iii)

compensate at fair value (considering both benefits and risks) any required service, subject to Commission's jurisdiction and review;

- (d) to allow informed participation and encourage ongoing market improvements;
- (e) to provide transparency with respect to the operation of and the pricing in markets and purchase programs;
- (f) to provide access to competitive markets within the New England Control Area and to neighboring regions; and
- (g) to provide for an equitable allocation of costs, benefits and responsibilities among market participants.

In fulfilling this mission and consistent with the preceding principles, the ISO shall strive to perform all its functions and services in a cost-effective manner, for the benefit of all those served by the ISO. To assist stakeholders in evaluating any major ISO initiative that affects market design, system planning or operation of the New England bulk power system, the ISO will provide quantitative and qualitative information on the need for and the impacts, including costs, of the initiative.

## **I.2 Rules of Construction; Definitions**

### **I.2.1. Rules of Construction:**

In this Tariff, unless otherwise provided herein:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting a gender include all genders;
- (c) references to a particular part, clause, section, paragraph, article, exhibit, schedule, appendix or other attachment shall be a reference to a part, clause, section, paragraph, or article of, or an exhibit, schedule, appendix or other attachment to, this Tariff;
- (d) the exhibits, schedules and appendices attached hereto are incorporated herein by reference and shall be construed with an as an integral part of this Tariff to the same extent as if they were set forth verbatim herein;
- (e) a reference to any statute, regulation, proclamation, ordinance or law includes all statutes, regulations, proclamations, amendments, ordinances or laws varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, policies, protocols, codes, proclamations and ordinances issued or otherwise applicable under that statute unless, in any such case, otherwise expressly provided in any such statute or in this Tariff;
- (f) a reference to a particular section, paragraph or other part of a particular statute shall be deemed to be a reference to any other section, paragraph or other part substituted therefor from time to time;
- (g) a definition of or reference to any document, instrument or agreement includes any amendment or supplement to, or restatement, replacement, modification or novation of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;
- (h) a reference to any person (as hereinafter defined) includes such person's successors and permitted assigns in that designated capacity;
- (i) any reference to "days" shall mean calendar days unless "Business Days" (as hereinafter defined) are expressly specified;
- (j) if the date as of which any right, option or election is exercisable, or the date upon which any amount is due and payable, is stated to be on a date or day that is not a Business Day, such right, option or election may be exercised, and such amount shall be deemed due and payable, on the next succeeding Business Day with the same effect as if the same was exercised or made on such

date or day (without, in the case of any such payment, the payment or accrual of any interest or other late payment or charge, provided such payment is made on such next succeeding Business Day);

- (k) words such as “hereunder,” “hereto,” “hereof” and “herein” and other words of similar import shall, unless the context requires otherwise, refer to this Tariff as a whole and not to any particular article, section, subsection, paragraph or clause hereof; and a reference to “include” or “including” means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

### **I.2.2. Definitions:**

In this Tariff, the terms listed in this section shall be defined as described below:

**Above-Threshold Offer Segment** is the total MW quantity of a Capacity Offer that is priced above the Capacity Offer Price Threshold, whether such MW quantity is delimited by only one price-quantity pair or multiple price-quantity pairs submitted as part of the Capacity Offer pursuant to Section III.15.4.1.

**Active Demand Capacity Resource** is one or more Demand Response Resources located within the same Dispatch Zone, that is registered with the ISO, assigned a unique resource identification number by the ISO, and participates in the Forward or Annual Capacity Market to fulfill a Market Participant’s Capacity Supply Obligation pursuant to Section III.13 or Section III.15 of Market Rule 1.

**Actual Capacity Provided** is the measure of capacity provided during a Capacity Scarcity Condition, as described in Section III.13.7.2.2 or Section III.15.8.2.2 of Market Rule 1.

**Actual Load** is the consumption at the Retail Delivery Point for the hour.

**Additional Resource Blackstart O&M Payment** is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

**Additional Resource Specified-Term Blackstart Capital Payment** is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

**Additional Resource Standard Blackstart Capital Payment** is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

**Administrative Costs** are those costs incurred in connection with the review of Applications for transmission service and the carrying out of System Impact Studies and Facilities Studies.

**Administrative Export De-List Bid** is a bid submitted in a Forward Capacity Auction by certain Existing Generating Capacity Resources subject to a multi-year contract to sell capacity outside of the New England Control Area during the associated Capacity Commitment Period, as described in Section III.13.1.2.3.1.4 of Market Rule 1.

**ADR Neutrals** are one or more firms or individuals identified by the ISO with the advice and consent of the Participants Committee that are prepared to act as neutrals in ADR proceedings under Appendix D to Market Rule 1.

**Advance** is defined in Section IV.A.3.2 of the Tariff.

**Advisory Qualified Capacity Values** are the advisory summer and winter Qualified Capacity values, calculated pursuant to Section III.15.2.5.

**Affected Party**, for purposes of the ISO New England Billing Policy, is defined in Section 6.3.5 of the ISO New England Billing Policy.

**Affiliate** is any person or entity that controls, is controlled by, or is under common control by another person or entity. For purposes of this definition, "control" means the possession, directly or indirectly, of the authority to direct the management or policies of an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

**AGC** is automatic generation control.

**AGC SetPoint** is the desired output signal for a Resource providing Regulation that is produced by the AGC system as frequently as every four seconds.

**AGC SetPoint Deadband** is a deadband expressed in megawatts that is applied to changing values of the AGC SetPoint for generating units.

**Allocated Assessment** is a Covered Entity's right to seek and obtain payment and recovery of its share in any shortfall payments under Section 3.3 or Section 3.4 of the ISO New England Billing Policy.

**Allowable Capacity Offer Price** is a price determined by the Internal Market Monitor as part of its review of Proposed Capacity Offers pursuant to Section III.A.22.2.3.

**Alternative Dispute Resolution (ADR)** is the procedure set forth in Appendix D to Market Rule 1.

**Alternative Technology Regulation Resource (ATRR)** is one or more facilities capable of providing Regulation that have been registered in accordance with the Asset Registration Process. An Alternative Technology Regulation Resource is eligible to participate in the Regulation Market.

**Ancillary Services** are those services that are necessary to support the transmission of electric capacity and energy from resources to loads while maintaining reliable operation of the New England Transmission System in accordance with Good Utility Practice.

**Announced Schedule 1 EA Amount, Announced Schedule 2 EA Amount, Announced Schedule 3 EA Amount** are defined in Section IV.B.2.2 of the Tariff.

**Annual Capacity Auction (ACA)** is the Annual Capacity Market auction process carried out pursuant to Section III.15.4 of Market Rule 1.

**Annual Capacity Auction Cleared Export Transaction** is defined in Section III.1.10.7(f)(ii) of Market Rule 1.

**Annual Capacity Auction Offer Window** is the period described in the Capacity Auction Calendar during which Capacity Offers must be submitted for an Annual Capacity Auction.

**Annual Capacity Market** is the annual market for procuring capacity in the New England Control Area, as set forth in Section III.15 of Market Rule 1.

**Annual Qualified Capacity** is the Qualified Capacity calculated pursuant to Section III.15.3 that is used in an Annual Capacity Auction.

**Annual Transmission Revenue Requirements** are the annual revenue requirements of a PTO's PTF or of all PTOs' PTF for purposes of the OATT shall be the amount determined in accordance with Attachment F to the OATT.

**Annual Reconfiguration Transaction** is a bilateral transaction associated with the Forward Capacity Market that may be used in accordance with Section III.13.5.4 of Market Rule 1 to specify a price when a Capacity Supply Obligation is transferred using supply offers and demand bids in Annual Reconfiguration Auctions.

**Applicants**, for the purposes of the ISO New England Financial Assurance Policy, are entities applying for Market Participant status or for transmission service from the ISO.

**Application** is a written request by an Eligible Customer for transmission service pursuant to the provisions of the OATT.

**Asset** is a Generator Asset, a Demand Response Asset, a component of an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource, a Distributed Energy Resource participating as part of a Demand Response Distributed Energy Resource Aggregation, a Settlement Only Distributed Energy Resource Aggregation, a Load Asset (including an Asset Related Demand), an Alternative Technology Regulation Resource, or a Tie-Line Asset.

**Asset Registration Process** is the ISO business process for registering an Asset.

**Asset Related Demand** is a Load Asset that has been discretely modeled within the ISO's dispatch and settlement systems, settles at a Node, has been registered in accordance with the Asset Registration Process, and is made up of either: (1) one or more individual end-use metered customers receiving service from the same point or points of electrical supply with an aggregate average hourly load of 1 MW or

greater during the 12 months preceding its registration; (2) a Storage DARD with a consumption capability of at least 0.1 MW; or (3) one or more storage facilities that are not Electric Storage Facilities with an aggregate consumption capability of at least 1 MW.

**Asset Related Demand Bid Block-Hours** are Block-Hours assigned to the Lead Market Participant for each Asset Related Demand bid. Blocks of the bid in effect for each hour will be totaled to determine the daily quantity of Asset Related Demand Bid Block-Hours. In the case that a Resource has a Real-Time unit status of “unavailable” for an entire day, that day will not contribute to the quantity of Asset Related Demand Bid Block-Hours. However, if the Resource has at least one hour of the day with a unit status of “available,” the entire day will contribute to the quantity of Asset Related Demand Bid Block-Hours.

**Asset-Specific Going Forward Costs** are the net costs of an asset that is part of a Generating Capacity Resource, calculated for the asset in the same manner as the net costs of Generating Capacity Resources as described in Section III.A.22 (for an asset associated with a Capacity Offer price subject to Internal Market Monitor review) or Section III.A.24 (for an asset submitting a Deactivation Notification).

**Assigned Meter Reader** reports to the ISO the hourly and monthly MWh associated with the Asset. These MWh are used for settlement. The Assigned Meter Reader may designate an agent to help fulfill its Assigned Meter Reader responsibilities; however, the Assigned Meter Reader remains functionally responsible to the ISO.

**Auction Revenue Right (ARR)** is a right to receive FTR Auction Revenues in accordance with Appendix C of Market Rule 1.

**Auction Revenue Right Allocation (ARR Allocation)** is defined in Section 1 of Appendix C of Market Rule 1.

**Auction Revenue Right Holder (ARR Holder)** is an entity which is the record holder of an Auction Revenue Right (excluding an Incremental ARR) in the register maintained by the ISO.

**Authorized Commission** is defined in Section 3.3 of the ISO New England Information Policy.

**Authorized Person** is defined in Section 3.3 of the ISO New England Information Policy.

**Automatic Response Rate** is the response rate, in MW/Minute, at which a Market Participant is willing to have a Regulation Resource change its output or consumption while providing Regulation between the Regulation High Limit and Regulation Low Limit.

**Available Energy** is a value that reflects the MWhs of energy available from an Electric Storage Facility for economic dispatch.

**Available Storage** is a value that reflects the MWhs of unused storage available from an Electric Storage Facility for economic dispatch of consumption.

**Average Hourly Load Reduction** is either: (i) the sum of the On-Peak Demand Capacity Resource's electrical energy reduction during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Capacity Resource's electrical energy reduction during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. The On-Peak Demand Capacity Resource's or Seasonal Peak Demand Capacity Resource's electrical energy reduction and Average Hourly Load Reduction shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.15.2.1.1.2.1 or Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

**Average Hourly Output** is either: (i) the sum of the On-Peak Demand Capacity Resource's electrical energy output during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Capacity Resource's electrical energy output during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. Electrical energy output and Average Hourly Output shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.13.1.4.3 or Section III.15.2.1.1.2.1 of Market Rule 1 and the ISO New England Manuals.

**Backstop Transmission Solution** is a solution proposed: (i) to address a reliability need identified by the ISO in a Needs Assessment reported by the ISO pursuant to Section 4.1(i) of Attachment K to the ISO OATT, (ii) by the PTO or PTOs with an obligation under Schedule 3.09(a) of the TOA to address the identified need; and (iii) in circumstances in which the competitive solution process specified in Section 4.3 of Attachment K to the ISO OATT will be utilized.

**Bankruptcy Code** is the United States Bankruptcy Code.

**Bankruptcy Event** occurs when a Covered Entity files a voluntary or involuntary petition in bankruptcy or commences a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against such Covered Entity as debtor.

**Benchmark Scenario** is an Economic Study reference scenario that is described in Section 17.2(a) of Attachment K to the OATT.

**Bilateral Contract (BC)** is any of the following types of contracts: Internal Bilateral for Load, Internal Bilateral for Market for Energy, and External Transactions.

**Bilateral Contract Block-Hours** are Block-Hours assigned to the seller and purchaser of an Internal Bilateral for Load, Internal Bilateral for Market for Energy and External Transactions; provided, however, that only those contracts which apply to the Real-Time Energy Market will accrue Block-Hours.

**Binary Storage DARD** is a DARD that participates in the New England Markets as part of a Binary Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

**Binary Storage Facility** is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

**Blackstart Capability Test** is the test, required by ISO New England Operating Documents, of a resource's capability to provide Blackstart Service.

**Blackstart Capital Payment** is the annual compensation, as calculated pursuant to Section 5.1, or as referred to in Section 5.2, of Schedule 16 to the OATT, for a Designated Blackstart Resource's Blackstart

Equipment capital costs associated with the provision of Blackstart Service (excluding the capital costs associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

**Blackstart Equipment** is any equipment that is solely necessary to enable the Designated Blackstart Resource to provide Blackstart Service and is not required to provide other products or services under the Tariff.

**Blackstart O&M Payment** is the annual Blackstart O&M compensation calculated under either Section 5.1 or 5.2 of Schedule 16 of the OATT, as applicable.

**Blackstart Owner** is the Market Participant who is authorized on behalf of the Generator Owner(s) to offer or operate the resource as a Designated Blackstart Resource and is authorized to commit the resource to provide Blackstart Service.

**Blackstart Service** is the Ancillary Service described in Section II.47 of the Tariff and Schedule 16 of the OATT.

**Blackstart Service Commitment** is the commitment by a Blackstart Owner for its resource to provide Blackstart Service and the acceptance of that commitment by the ISO, in the manner detailed in ISO New England Operating Procedure No. 11 – Designated Blackstart Resource Administration (OP 11), and which includes a commitment to provide Blackstart Service established under Operating Procedure 11 – Designated Blackstart Resource Administration (OP11).

**Blackstart Service Minimum Criteria** are the minimum criteria that a Blackstart Owner and its resource must meet in order to establish and maintain a resource as a Designated Blackstart Resource.

**Blackstart Standard Rate Payment** is the formulaic rate of monthly compensation, as calculated pursuant to Section 5 of Schedule 16 to the OATT, paid to a Blackstart Owner for the provision of Blackstart Service from a Designated Blackstart Resource.

**Blackstart Station** is comprised of (i) a single Designated Blackstart Resource or (ii) two or more Designated Blackstart Resources that share Blackstart Equipment.

**Blackstart Station-specific Rate Payment** is the Commission-approved compensation, as calculated pursuant to Section 5.2 of Schedule 16 to the OATT, paid to a Blackstart Owner on a monthly basis for the provision of Blackstart Service by Designated Blackstart Resources located at a specific Blackstart Station.

**Blackstart Station-specific Rate Capital Payment** is a component of the Blackstart Station-specific Rate Payment that reflects a Blackstart Station's capital Blackstart Equipment costs associated with the provision of Blackstart Service (excluding the capital costs associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

**Block** is defined as follows: (1) With respect to Bilateral Contracts, a Bilateral Contract administered by the ISO for an hour; (2) with respect to Supply Offers administered by the ISO, a quantity with a related price for Energy (Supply Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (3) with respect to Demand Bids administered by the ISO, a quantity with a related price for Energy (Demand Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (4) with respect to Increment Offers administered by the ISO, a quantity with a related price for Energy (Increment Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (5) with respect to Decrement Bids administered by the ISO, a quantity with a related price for Energy (Decrement Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (6) with respect to Asset Related Demand bids administered by the ISO, a quantity with a related price for Energy (Asset Related Demand bids may contain multiple sets of quantity and price pairs for each hour); (7) with respect to Demand Reduction Offers administered by the ISO, a quantity of reduced demand with a related price (Demand Reduction Offers may contain multiple sets of quantity and price pairs for the day); and (8) with respect to Day-Ahead Ancillary Services Offers administered by the ISO, a quantity with a related price for Day-Ahead Ancillary Services (Day-Ahead Ancillary Services Offers may contain multiple prices for each hour).

**Block-Hours** are the number of Blocks administered for a particular hour.

**Budget and Finance Subcommittee** is a subcommittee of the Participants Committee, the responsibilities of which are specified in Section 8.4 of the Participants Agreement.

**Business Day** is any day other than a Saturday or Sunday or ISO holidays as posted by the ISO on its website.

**Cancelled Start NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Capability Demonstration Year** is the one year period from September 1 through August 31.

**Capacity Acquiring Resource** is a resource that is seeking to acquire a Capacity Supply Obligation through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1 or Section III.15.6.1, or; (2) a reconfiguration auction, as described in Section III.13.4 or Section III.15.5.

**Capacity Auction Calendar** is a calendar published on the ISO's website, as described in Section III.15, detailing dates and deadlines associated with Annual Capacity Market participation, Monthly Reconfiguration Auction participation, and monthly Capacity Supply Obligation Bilateral transactions.

**Capacity Auction Offer Price Cap** is determined pursuant to Section III.15.1.2.1 of Market Rule 1 prior to the Annual Capacity Auction for each Capacity Commitment Period and is the highest price at which capacity may be offered into the Annual Capacity Auction, unless otherwise expressly allowed by the Tariff.

**Capacity Balancing Ratio** is a ratio used in calculating the Capacity Performance Payment in the Capacity Market, as described in Section III.13.7.2.3 or III.15.8.2.3 of Market Rule 1.

**Capacity Base Payment** is the portion of revenue received in the Forward Capacity Market or Annual Capacity Market as described in Section III.13.7.1 or Section III.15.8.1 of Market Rule 1.

**Capacity Capability Interconnection Standard** has the meaning specified in Schedule 22, Schedule 23, and Schedule 25 of the OATT.

**Capacity Clearing Price** is the clearing price in a Capacity Zone for a Capacity Commitment Period resulting from the Forward Capacity Auction conducted for that Capacity Commitment Period, as determined in accordance with Section III.13.2.7 of Market Rule 1 or resulting from the Annual Capacity

Auction conducted for that Capacity Commitment Period, as determined in accordance with Section III.15.4.2.

**Capacity Commitment Period** is the one-year period from June 1 through May 31 for which obligations are assumed and payments are made in the Forward Capacity Market and Annual Capacity Market.

**Capacity Cost (CC)** is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

**Capacity Demonstration Deadline** is a monthly deadline described in the Capacity Auction Calendar for completion of the capacity demonstration requirement set forth in Section III.15.2.6 prior to participation in the Annual Capacity Auction, a Monthly Reconfiguration Auction, or a Capacity Supply Obligation Bilateral transaction.

**Capacity Export Through Import Constrained Zone Transaction** is defined in Section III.1.10.7(f)(i) of Market Rule 1.

**Capacity Load Obligation** is the quantity of capacity for which a Market Participant is financially responsible as described in Section III.13.7.5.2 or Section III.15.8.5.2 of Market Rule 1.

**Capacity Load Obligation Acquiring Participant** is a load serving entity or any other Market Participant seeking to acquire a Capacity Load Obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 or Section III.15.6.2 of Market Rule 1.

**Capacity Load Obligation Bilateral** is a bilateral contract through which a Market Participant may transfer all or a portion of its Capacity Load Obligation to another entity, as described in Section III.13.5 or Section III.15.6 of Market Rule 1.

**Capacity Load Obligation Transferring Participant** is an entity that has a Capacity Load Obligation and is seeking to shed such obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 or Section III.15.6.2 of Market Rule 1.

**Capacity Market** is the forward market for procuring capacity in the New England Control Area, as described in Section III.13 of Market Rule 1, or the annual market for procuring capacity in the New England Control Area, as described in Section III.15 of Market Rule 1.

**Capacity Market Commercial Operation** is defined in Section III.15.2.6 of Market Rule 1.

**Capacity Market Deactivation** is the permanent removal of a Generating Capacity Resource, Demand Capacity Resource, or Distributed Energy Capacity Resource from the Capacity Market, or the permanent reduction in Capacity Network Import Capability of an External Elective Transmission Upgrade, as described in Section II.I of the OATT.

**Capacity Network Import Capability (CNI Capability)** is as defined in Section I of Schedule 25 of the OATT.

**Capacity Network Import Interconnection Service (CNI Interconnection Service)** is as defined in Section I of Schedule 25 of the OATT.

**Capacity Network Resource (CNR)** is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

**Capacity Network Resource Interconnection Service (CNR Interconnection Service)** is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

**Capacity Offer** is an offer submitted for inclusion in the Annual Capacity Auction as set forth in Section III.15.4.1 of Market Rule 1.

**Capacity Offer Floor Price** is defined in Section III.A.21.3 of Market Rule 1.

**Capacity Offer Price Threshold (COPT)** is the price specified in Section III.A.22.2.1 of Market Rule 1 associated with the submission, review, and mitigation of prices specified in Capacity Offers submitted for the Annual Capacity Auction.

**Capacity Offer Review Submission Deadline** is the deadline described in the Capacity Auction Calendar by which proposed Capacity Offers and accompanying documentation must be submitted to the Internal Market Monitor in accordance with Section III.A.22.2.2.

**Capacity Performance Bilateral** is a transaction for transferring Capacity Performance Score, as described in Section III.13.5.3 or Section III.15.6.3 of Market Rule 1.

**Capacity Performance Payment** is the performance-dependent portion of revenue received in the Forward Capacity Market, as described in Section III.13.7.2 or Section III.15.8.2 of Market Rule 1.

**Capacity Performance Payment Rate** is a rate used in calculating Capacity Performance Payments, as described in Section III.13.7.2.5 or Section III.15.8.2.5 of Market Rule 1.

**Capacity Resource** is a type of resource eligible to participate in the Annual Capacity Auction. There are four types of Capacity Resources: Generating Capacity Resource, Import Capacity Resource, Demand Capacity Resource, and Distributed Energy Capacity Resource.

**Capacity Performance Score** is a figure used in determining Capacity Performance Payments, as described in Section III.13.7.2.4 or Section III.15.8.2.4 of Market Rule 1.

**Capacity Rationing Rule** addresses whether offers and bids in a Forward Capacity Auction may be rationed, as described in Section III.13.2.6 of Market Rule 1.

**Capacity Scarcity Condition** is a period during which performance is measured in the Capacity Market, as described in Section III.13.7.2.1 or III.15.8.7.2.1 of Market Rule 1.

**Capacity Supply Obligation** is an obligation to provide capacity from a resource, or a portion thereof, to satisfy a portion of the Installed Capacity Requirement that is acquired through a Forward Capacity Auction in accordance with Section III.13.2 or an Annual Capacity Auction in accordance with Section III.15.4, a reconfiguration auction in accordance with Section III.13.4 or Section III.15.5, or a Capacity Supply Obligation Bilateral in accordance with Section III.13.5.1 or Section III.15.6.1 of Market Rule 1.

**Capacity Supply Obligation Bilateral** is a bilateral contract through which a Market Participant may transfer all or a part of its Capacity Supply Obligation to another entity, as described in Section III.13.5.1 or Section III.15.6.1 of Market Rule 1.

**Capacity Transfer Rights (CTRs)** are calculated in accordance with Section III.13.7.5.4 or Section III.15.8.5.4.

**Capacity Transferring Resource** is a resource that has a Capacity Supply Obligation and is seeking to shed such obligation, or a portion thereof, through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1 or Section III.15.6.1, or; (2) a reconfiguration auction, as described in Section III.13.4 or Section III.15.5.

**Capacity Zone** is a geographic sub-region of the New England Control Area as determined in accordance with Section III.12.4 of Market Rule 1.

**Capacity Zone Demand Curves** are the demand curves used in the Capacity Market for a Capacity Zone as specified in Sections III.13.2.2.2 and III.13.2.2.3 and in Sections III.15.1.1.2 and III.15.1.1.3.

**Capital Funding Charge (CFC)** is defined in Section IV.B.2 of the Tariff.

**CARL Data** is Control Area reliability data submitted to the ISO to permit an assessment of the ability of an external Control Area to provide energy to the New England Control Area in support of capacity offered to the New England Control Area by that external Control Area.

**Category B Designated Blackstart Resource** has the same meaning as Designated Blackstart Resource.

**Charge** is a sum of money due from a Covered Entity to the ISO, either in its individual capacity or as billing and collection agent for NEPOOL pursuant to the Participants Agreement.

**CLAIM10** is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

**CLAIM30** is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

**Claimed Capability Audit** is performed to determine the real power output capability of a Generator Asset, the demand reduction capability of a Demand Response Resource, or the demand reduction capability and energy injection capability of a Demand Response Distributed Energy Resource Aggregation.

**Cluster** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**Cluster Enabling Transmission Upgrade (CETU)** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Cluster Enabling Transmission Upgrade Regional Planning Study (CRPS)** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Cluster Entry Deadline** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Cluster Interconnection System Impact Study (CSIS)** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Cluster Request Window** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**Cluster Restudy** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**Cluster Study** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**CNR Capability** is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

**Coincident Peak Contribution** is a Market Participant's share of the New England Control Area coincident peak demand for the prior calendar year as determined prior to the start of each Capacity

Commitment Period, which reflects the sum of the prior year's annual coincident peak contributions of the customers served by the Market Participant at each Load Asset. Daily Coincident Peak Contribution values shall be submitted by the Assigned Meter Reader or Host Participant by the meter reading deadline to the ISO.

**Commercial Capacity** is capacity that has achieved FCM Commercial Operation or Capacity Market Commercial Operation.

**Commission** is the Federal Energy Regulatory Commission.

**Commitment Period** is (i) for a Day-Ahead Energy Market commitment, a period of one or more contiguous hours for which a Resource is cleared in the Day-Ahead Energy Market, and (ii) for a Real-Time Energy Market commitment, the period of time for which the ISO indicates the Resource is being committed when it issues the Dispatch Instruction. If the ISO does not indicate the period of time for which the Resource is being committed in the Real-Time Energy Market, then the Commitment Period is the Minimum Run Time for an offline Resource and one hour for an online Resource.

**Common Costs** are those costs associated with a Station that are avoided only if none of the Generating Capacity Resources composing the Station acquire a Capacity Supply Obligation for the Capacity Commitment Period, or by the acceptance of the Deactivation Notification of all Generating Capacity Resources composing the Station.

**Completed Application** is an Application that satisfies all of the information and other requirements of the OATT, including any required deposit.

**Compliance Effective Date** is the date upon which the changes in the predecessor NEPOOL Open Access Transmission Tariff which have been reflected herein to comply with the Commission's Order of April 20, 1998 became effective.

**Composite Capacity Market Transaction** is a transaction for separate resources seeking to participate as a single composite resource in a Forward Capacity Auction or Annual Capacity Auction in which multiple Lead Market Participants provide capacity, as described in Section III.13.1.5 or Section III.15.2.8 of Market Rule 1.

**Composite Offer Deadline** is the deadline for submission of the Composite Offer Form described at Section III.15.2.8.

**Composite Offer Form** is a form submitted by Lead Market Participants for separate resources seeking to participate as a single composite Capacity Resource in the Annual Capacity Auction, as described in Section III.15.2.8.

**Confidential Information** is defined in Section 2.1 of the ISO New England Information Policy, which is Attachment D to the Tariff.

**Confidentiality Agreement** is Attachment 1 to the ISO New England Billing Policy.

**Congestion** is a condition of the New England Transmission System in which transmission limitations prevent unconstrained regional economic dispatch of the power system. Congestion is the condition that results in the Congestion Component of the Locational Marginal Price at one Location being different from the Congestion Component of the Locational Marginal Price at another Location during any given hour of the dispatch day in the Day-Ahead Energy Market or Real-Time Energy Market.

**Congestion Component** is the component of the nodal price that reflects the marginal cost of congestion at a given Node or External Node relative to the reference point. When used in connection with Zonal Price and Hub Price, the term Congestion Component refers to the Congestion Components of the nodal prices that comprise the Zonal Price and Hub Price weighted and averaged in the same way that nodal prices are weighted to determine Zonal Price and averaged to determine the Hub Price.

**Congestion Cost** is the cost of congestion as measured by the difference between the Congestion Components of the Locational Marginal Prices at different Locations and/or Reliability Regions on the New England Transmission System.

**Congestion Paying LSE** is, for the purpose of the allocation of FTR Auction Revenues to ARR Holders as provided for in Appendix C of Market Rule 1, a Market Participant or Non-Market Participant Transmission Customer that is responsible for paying for Congestion Costs as a Transmission Customer paying for Regional Network Service under the Transmission, Markets and Services Tariff, unless such

Transmission Customer has transferred its obligation to supply load in accordance with ISO New England System Rules, in which case the Congestion Paying LSE shall be the Market Participant supplying the transferred load obligation. The term Congestion Paying LSE shall be deemed to include, but not be limited to, the seller of internal bilateral transactions that transfer Real-Time Load Obligations under the ISO New England System Rules.

**Congestion Revenue Fund** is the amount available for payment of target allocations to FTR Holders from the collection of Congestion Cost.

**Congestion Shortfall** means congestion payments exceed congestion charges during the billing process in any billing period.

**Continuous Storage ATRR** is an ATRR that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

**Continuous Storage DARD** is a DARD that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

**Continuous Storage Generator Asset** is a Generator Asset that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

**Continuous Storage Facility** is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

**Control Agreement** is the document posted on the ISO website that is required if a Market Participant's cash collateral is to be invested in BlackRock funds.

**Control Area** is an electric power 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 generating capacity to maintain operating reserves in accordance with Good Utility Practice.

**Controllable Behind-the-Meter Generation** means generation whose output can be controlled located at the same facility as a DARD or a Demand Response Asset, excluding: (1) generators whose output is separately metered and reported and (2) generators that cannot operate electrically synchronized to, and that are operated only when the facility loses its supply of power from, the New England Transmission System, or when undergoing related testing.

**Coordinated External Transaction** is an External Transaction at an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented. A transaction to wheel energy into, out of or through the New England Control Area is not a Coordinated External Transaction.

**Coordinated Transaction Scheduling** means the enhanced scheduling procedures set forth in Section III.1.10.7.A.

**Correction Limit** means the date that is one hundred and one (101) calendar days from the last Operating Day of the month to which the data applied. As described in Section III.3.6.1 of Market Rule 1, this will be the period during which meter data corrections must be submitted unless they qualify for submission as a Requested Billing Adjustment under Section III.3.7 of Market Rule 1.

**Cost-Based Reference Price** is a price determined by the Internal Market Monitor for comparison to a price in a Proposed Capacity Offer submitted pursuant to Section III.A.22.2.3.

**Cost of Energy Consumed (CEC)** is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

**Cost of Energy Produced (CEP)** is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

**Cost of New Entry (CONE)** is the estimated cost of new entry (\$/kW-month) for a capacity resource that is determined by the ISO for each Forward Capacity Auction pursuant to Section III.13.2.4 and for each Annual Capacity Auction pursuant to Section III.15.1.2.

**Counterparty** means the status in which the ISO acts as the contracting party, in its name and own right and not as an agent, to an agreement or transaction with a Customer (including assignments involving Customers) involving sale to the ISO, and/or purchase from the ISO, of Regional Transmission Service and market and other products and services, and other transactions and assignments involving Customers, all as described in the Tariff.

**Covered Entity** is defined in the ISO New England Billing Policy.

**Credit Coverage** is third-party credit protection obtained by the ISO in the form of credit insurance coverage.

**Credit Qualifying** means a Rated Market Participant that has an Investment Grade Rating and an Unrated Market Participant that satisfies the Credit Threshold.

**Credit Threshold** consists of the conditions for Unrated Market Participants outlined in Section II.B.2 of the ISO New England Financial Assurance Policy.

**Critical Energy Infrastructure Information (CEII)** is defined in Section 3.0(j) of the ISO New England Information Policy, which is Attachment D to the Tariff.

**Current Ratio** is, on any date, all of a Market Participant's or Non-Market Participant Transmission Customer's current assets divided by all of its current liabilities, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

**Curtailed** is a reduction in the dispatch of a transaction that was scheduled, using transmission service, in response to a transfer capability shortage as a result of system reliability conditions.

**Customer** is a Market Participant, a Transmission Customer or another customer of the ISO.

**Cyber Security Exigency** is a suspicious or malicious electronic act or event that compromises or attempts to compromise, or disrupts or attempts to disrupt, the ongoing operation of the ISO, the New England Markets, or reliability within the New England Control Area or other electrical facilities directly or indirectly connected to the New England Transmission System and (i) whose severity or nature reasonably requires that the ISO obtain expert assistance not normally called upon to counter such an electronic act or resolve such an event or (ii) whose nature requires the ISO to report such an electronic act or event pursuant to NERC Critical Infrastructure Protection Reliability Standards or applicable regulations promulgated by the Department of Homeland Security, the Department of Energy, or a federal agency with similar cybersecurity responsibilities (or any of their respective successor organizations or agencies).

**Data Reconciliation Process** means the process by which meter reconciliation and data corrections that are discovered by Governance Participants after the Invoice has been issued for a particular month or that are discovered prior to the issuance of the Invoice for the relevant month but not included in that Invoice or in the other Invoices for that month and are reconciled by the ISO on an hourly basis based on data submitted to the ISO by the Host Participant Assigned Meter Reader or Assigned Meter Reader.

**Day-Ahead** is the calendar day immediately preceding the Operating Day.

**Day-Ahead Adjusted Load Obligation** is defined in Section III.3.2.1(a)(1) of Market Rule 1.

**Day-Ahead Ancillary Services** means Day-Ahead Flexible Response Services and Day-Ahead Energy Imbalance Reserve.

**Day-Ahead Ancillary Services Avoidable Input Cost** is defined in Section III.A.8.2.2 of Appendix A of Market Rule 1.

**Day-Ahead Ancillary Services Benchmark Level** is defined in Section III.A.8.2 of Appendix A of Market Rule 1.

**Day-Ahead Ancillary Services Offer Block-Hours** are Block-Hours assigned to the Lead Market Participant for each Day-Ahead Ancillary Services Offer. Blocks of the Day-Ahead Ancillary Services Offer in effect for each hour will be totaled to determine the quantity of Day-Ahead Ancillary Services Offer Block-Hours for a given day.

**Day-Ahead Ancillary Services Expected Close-Out Component** is defined in Section III.A.8.2.1 of Appendix A of Market Rule 1.

**Day-Ahead Ancillary Services Market** means the sale of and payment for Day-Ahead Ancillary Services developed by the ISO as a result of the offers and specifications submitted in accordance with Sections III.1.8 and III.1.10 of Market Rule 1.

**Day-Ahead Ancillary Services Offer** is an offer that may be submitted by Market Participants in the Day-Ahead Ancillary Services Market in accordance with Section III.1.8.1 of Market Rule 1, and that is used by the ISO to determine obligations for Day-Ahead Ancillary Services as described in Section III.3.2.1(a)(2) of Market Rule 1.

**Day-Ahead Ancillary Services Strike Price** is specified in Section III.1.8.2 of Market Rule 1.

**Day-Ahead Congestion Revenue** is defined in Section III.3.2.1(i) of Market Rule 1.

**Day-Ahead Demand Reduction Obligation** is defined in Section III.3.2.1(a)(1) of Market Rule 1.

**Day-Ahead Energy Imbalance Reserve** is a form of reserve capability that is procured in the Day-Ahead Ancillary Services Market to help satisfy the Forecast Energy Requirement Demand Quantity described in Section III.1.8.4 of Market Rule 1.

**Day-Ahead Energy Imbalance Reserve Obligation** is defined in Section III.3.2.1(a)(2) of Market Rule 1.

**Day-Ahead Energy Market** means the schedule of commitments for the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, payment for losses developed by the ISO as a result of the offers and specifications submitted in accordance with Sections III.1.8 and III.1.10 of Market Rule 1.

**Day-Ahead Energy Market Congestion Charge/Credit** is defined in Section III.3.2.1(f) of Market Rule 1.

**Day-Ahead Energy Market Energy Charge/Credit** is defined in Section III.3.2.1(f) of Market Rule 1.

**Day-Ahead Energy Market Loss Charge/Credit** is defined in Section III.3.2.1(f) of Market Rule 1.

**Day-Ahead Market NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Day-Ahead External Transaction Export and Decrement Bid NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Day-Ahead External Transaction Import and Increment Offer NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Day-Ahead Flexible Response Services** means Day-Ahead Ten-Minute Spinning Reserve, Day-Ahead Ten-Minute Non-Spinning Reserve, and Day-Ahead Thirty-Minute Operating Reserve.

**Day-Ahead Flexible Response Services Demand Quantities** means Day-Ahead Ten-Minute Spinning Reserve Demand Quantity, Day-Ahead Total Ten-Minute Reserve Demand Quantity, Day-Ahead Minimum Total Reserve Demand Quantity, and Day-Ahead Total Reserve Demand Quantity.

**Day-Ahead Generation Obligation** is defined in Section III.3.2.1(a)(1) of Market Rule 1.

**Day-Ahead Load Obligation** is defined in Section III.3.2.1(a)(1) of Market Rule 1.

**Day-Ahead Locational Adjusted Net Interchange** is defined in Section III.3.2.1(a)(1) of Market Rule 1.

**Day-Ahead Loss Charges or Credits** is defined in Section III.3.2.1(k) of Market Rule 1.

**Day-Ahead Loss Revenue** is defined in Section III.3.2.1(j) of Market Rule 1.

**Day-Ahead Market** means the jointly optimized Day-Ahead Energy Market and Day-Ahead Ancillary Services Market.

**Day-Ahead Minimum Total Reserve Demand Quantity** is described in Section III.1.8.3(c) of Market Rule 1.

**Day-Ahead Prices** means the prices resulting from the Day-Ahead Market as described in Section III.2.6 of Market Rule 1.

**Day-Ahead Ten-Minute Non-Spinning Reserve** is a form of ten-minute reserve capability that is procured in the Day-Ahead Ancillary Services Market based on the system-wide requirements described in Section III.1.8.3 of Market Rule 1.

**Day-Ahead Ten-Minute Non-Spinning Reserve Obligation** is defined in Section III.3.2.1(a)(2) of Market Rule 1.

**Day-Ahead Ten-Minute Spinning Reserve** is a form of ten-minute reserve capability that is procured in the Day-Ahead Ancillary Services Market based on the system-wide requirements described in Section III.1.8.3 of Market Rule 1.

**Day-Ahead Ten-Minute Spinning Reserve Demand Quantity** is described in Section III.1.8.3(a) of Market Rule 1.

**Day-Ahead Ten-Minute Spinning Reserve Obligation** is described in Section III.3.2.1(a)(2) of Market Rule 1.

**Day-Ahead Thirty-Minute Operating Reserve** is a form of reserve capability that is procured in the Day-Ahead Ancillary Services Market based on the system-wide requirements described in Section III.1.8.3 of Market Rule 1.

**Day-Ahead Thirty-Minute Operating Reserve Obligation** is defined in Section III.3.2.1(a)(2) of Market Rule 1.

**Day-Ahead Total Ten-Minute Reserve Demand Quantity** is described in Section III.1.8.3(b) of Market Rule 1.

**Day-Ahead Total Reserve Demand Quantity** is described in Section III.1.8.3(d) of Market Rule 1.

**DDP Dispatchable Resource** is any Dispatchable Resource that the ISO dispatches using Desired Dispatch Points in the Resource's Dispatch Instructions.

**Deactivation Notification** is a notification of the planned New England Market Deactivation or Capacity Market Deactivation of a resource, External Elective Transmission Upgrade, or portion thereof, submitted to the ISO by the applicable Lead Market Participant.

**Deactivation Notification Deadline** is the deadline for submission of a Deactivation Notification and a Deactivation Notification Package, as discussed in Section II.52.1 of the OATT.

**Deactivation Notification Package** is information submitted to the ISO, as specified in Section II.52.3 of the OATT, by a resource or External Elective Transmission Upgrade seeking a determination regarding a Deactivation Notification.

**Debt-to-Total Capitalization Ratio** is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's total debt (including all current borrowings) divided by its total shareholders' equity plus total debt, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

**Decrement Bid** means a bid to purchase energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical load. An accepted Decrement Bid results in scheduled load at the specified Location in the Day-Ahead Energy Market.

**Default Amount** is all or any part of any amount due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due (other than in the case of a payment dispute for any amount due for transmission service under the OATT).

**Default Period** is defined in Section 3.3.h(i) of the ISO New England Billing Policy.

**Delivering Party** is the entity supplying capacity and/or energy to be transmitted at Point(s) of Receipt under the OATT.

**Demand Bid** means a request to purchase an amount of energy, at a specified Location, or an amount of energy at a specified price, that is associated with a physical load. A cleared Demand Bid in the Day-Ahead Energy Market results in scheduled load at the specified Location. Demand Bids submitted for use in the Real-Time Energy Market are specific to Dispatchable Asset Related Demands only.

**Demand Bid Block-Hours** are the Block-Hours assigned to the submitting Customer for each Demand Bid.

**Demand Bid Cap** is \$2,000/MWh.

**Demand Capacity Resource** is a type of resource that may participate in the Capacity Market. There are three Demand Capacity Resource types: Active Demand Capacity Resource, On-Peak Demand Capacity Resource, and Seasonal Peak Demand Capacity Resource.

**Demand Designated Entity** is the entity designated by a Market Participant to receive Dispatch Instructions for Demand Response Resources in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

**Demand Reduction Offer** is an offer by a Market Participant with a Demand Response Resource to reduce demand.

**Demand Reduction Offer Block-Hours** are Block-Hours assigned to the Lead Market Participant for each Demand Reduction Offer. Blocks of the Demand Reduction Offer in effect for each hour will be totaled to determine the quantity of Demand Reduction Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of “unavailable” for the entire day, that day will not contribute to the quantity of Demand Reduction Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of “available,” the entire day will contribute to the quantity of Demand Reduction Offer Block-Hours.

**Demand Reduction Threshold Price** is a minimum offer price calculated pursuant to Section III.1.10.1A(f).

**Demand Resource On-Peak Hours** are hours ending 1400 through 1700, Monday through Friday on non-Demand Response Holidays during the months of June, July, and August and hours ending 1800 through 1900, Monday through Friday on non-Demand Response Holidays during the months of December and January.

**Demand Resource Seasonal Peak Hours** are those hours in which the actual, real-time hourly load, as measured using real-time telemetry (adjusted for transmission and distribution losses, and excluding load associated with Exports and Storage DARDs) for Monday through Friday on non-Demand Response Holidays, during the months of June, July, August, December, and January, as determined by the ISO, is equal to or greater than 90% of the most recent 50/50 system peak load forecast, as determined by the ISO, for the applicable summer or winter season.

**Demand Response Asset** is an asset comprising the demand reduction capability of an individual end-use customer at a Retail Delivery Point or the aggregated demand reduction capability of multiple end-use customers from multiple delivery points (as described in Section III.8.1.1(f)) that has been registered in accordance with III.8.1.1.

**Demand Response Available** is the capability of the Demand Response Resource, in whole or in part, at any given time, to reduce demand in response to a Dispatch Instruction.

**Demand Response Baseline** is the expected baseline demand of an individual end-use metered customer or group of end-use metered customers as determined pursuant to Section III.8.2.

**Demand Response Holiday** is New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a Saturday, the holiday will be observed on the preceding Friday; if the holiday falls on a Sunday, the holiday will be observed on the following Monday.

**Demand Response Distributed Energy Resource Aggregation (DRDERA)** is a type of Distributed Energy Resource Aggregation that is described in additional detail in Section III.6.5.

**Demand Response Resource** is an individual Demand Response Asset or aggregation of Demand Response Assets within a DRR Aggregation Zone that has been registered in accordance with Section III.8.1.2.

**Demand Response Resource Notification Time** is the period of time between the receipt of a startup Dispatch Instruction and the time the Demand Response Resource starts reducing demand.

**Demand Response Resource Ramp Rate** is the average rate, expressed in MW per minute, at which the Demand Response Resource can reduce demand.

**Demand Response Resource Start-Up Time** is the period of time between the time a Demand Response Resource starts reducing demand at the conclusion of the Demand Response Resource Notification Time and the time the resource can reach its Minimum Reduction and be ready for further dispatch by the ISO.

**Designated Agent** is any entity that performs actions or functions required under the OATT on behalf of the ISO, a Transmission Owner, a Schedule 20 Service Provider, an Eligible Customer, or a Transmission Customer.

**Designated Blackstart Resource** is a resource that meets the eligibility requirements specified in Schedule 16 of the OATT, which includes any resource referred to previously as a Category B Designated Blackstart Resource.

**Designated Entity** is the entity designated by a Market Participant to receive Dispatch Instructions for a Generator Asset and/or Dispatchable Asset Related Demand in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

**Designated FCM Participant** is any Lead Market Participant, including any Provisional Member that is a Lead Market Participant, transacting in any Forward Capacity Auction, reconfiguration auctions or Capacity Supply Obligation Bilateral for capacity that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

**Designated FTR Participant** is a Market Participant, including FTR-Only Customers, transacting in the FTR Auction that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

**Desired Dispatch Point (DDP)** means the control signal, expressed in megawatts, transmitted to direct the output, consumption, or demand reduction level of each Generator Asset, Dispatchable Asset Related Demand, or Demand Response Resource dispatched by the ISO in accordance with the asset's Offer Data.

**Direct Assignment Facilities** are facilities or portions of facilities that are constructed for the sole use/benefit of a particular Transmission Customer requesting service under the OATT or a Generator Owner requesting an interconnection. Direct Assignment Facilities shall be specified in a separate agreement among the ISO, Interconnection Customer and Transmission Customer, as applicable, and the Transmission Owner whose transmission system is to be modified to include and/or interconnect with the Direct Assignment Facilities, shall be subject to applicable Commission requirements, and shall be paid for by the Customer in accordance with the applicable agreement and the Tariff.

**Directly Metered Assets** are specifically measured by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP-18. Directly Metered Assets include all Tie-Line Assets, all Generator Assets, as well as some Load Assets. Load Assets for which the Host Participant is not the Assigned Meter Reader are considered Directly Metered Assets. In addition, the Host Participant Assigned Meter Reader determines which additional Load Assets are considered Directly Metered Assets and which ones are considered Profiled Load Assets based upon the Host Participant Assigned Meter Reader reporting systems and process by which the Host Participant Assigned Meter Reader allocates non-PTF losses.

**Disbursement Agreement** is the Rate Design and Funds Disbursement Agreement among the PTOs, as amended and restated from time to time.

**Dispatch Instruction** means directions given by the ISO to Market Participants, which may include instructions to start up, shut down, raise or lower generation, curtail or restore loads from Demand Response Resources, change External Transactions, or change the status or consumption of a Dispatchable Asset Related Demand in accordance with the Supply Offer, Demand Bid, or Demand Reduction Offer parameters. Such instructions may also require a change to the operation of a Pool Transmission Facility. Such instructions are given through either electronic or verbal means.

**Dispatch Zone** means a subset of Nodes located within a Load Zone established by the ISO for each Capacity Commitment Period pursuant to Section III.12.4A.

**Dispatchable Asset Related Demand (DARD)** is an Asset Related Demand that is capable of having its energy consumption modified in Real-Time in response to Dispatch Instructions. A DARD must be capable of receiving and responding to electronic Dispatch Instructions, must be able to increase or decrease energy consumption between its Minimum Consumption Limit and Maximum Consumption Limit in accordance with Dispatch Instructions, and must meet the technical requirements specified in the ISO New England Operating Procedures and Manuals.

**Dispatchable Resource** is any Generator Asset, Dispatchable Asset Related Demand, Demand Response Resource, or, with respect to the Regulation Market only, Alternative Technology Regulation Resource, that, during the course of normal operation, is capable of receiving and responding to electronic Dispatch Instructions in accordance with the parameters contained in the Resource's Supply Offer, Demand Bid, Demand Reduction Offer or Regulation Service Offer. A Resource that is normally classified as a Dispatchable Resource remains a Dispatchable Resource when it is temporarily not capable of receiving and responding to electronic Dispatch Instructions.

**Dispute Representatives** are defined in 6.5.c of the ISO New England Billing Policy.

**Disputed Amount** is a Covered Entity's disputed amount due on any fully paid monthly Invoice and/or any amount believed to be due or owed on a Remittance Advice, as defined in Section 6 of the ISO New England Billing Policy.

**Disputing Party**, for the purposes of the ISO New England Billing Policy, is any Covered Entity seeking to recover a Disputed Amount.

**Distributed Energy Capacity Resource (DECR)** is a type of Capacity Resource that participates in the Capacity Market and composes one or more Distributed Energy Resource Aggregations.

**Distributed Energy Resource (DER)** is any resource located on the distribution system, any subsystem thereof or behind a customer meter that is capable of providing energy injection, energy withdrawal, regulation, or demand reduction.

**Distributed Energy Resource Aggregation (DERA)** is an aggregation of Distributed Energy Resources that is registered under Section III.6.7 and is described in additional detail in Section III.6.

**Distributed Energy Resource Aggregator (DER Aggregator)** is a Market Participant that aggregates one or more Distributed Energy Resources for participation in a Distributed Energy Resource Aggregation and serves as the Lead Market Participant for a Distributed Energy Resource Aggregation.

**Distributed Generation** means generation directly connected to end-use customer load and located behind the end-use customer's Retail Delivery Point that reduces the amount of energy that would otherwise have been produced on the electricity network in the New England Control Area, provided that the facility's Net Supply Capability is (i) less than 5 MW or (ii) less than or equal to the Maximum Facility Load, whichever is greater.

**DRR Aggregation Zone** is a Dispatch Zone entirely within a single Reserve Zone or Rest of System or, where a Dispatch Zone is not entirely within a single Reserve Zone or Rest of System, each portion of the Dispatch Zone demarcated by the Reserve Zone boundary.

**Do Not Exceed (DNE) Dispatchable Generator** is any Generator Asset that is dispatched using Do Not Exceed Dispatch Points in its Dispatch Instructions and meets the criteria specified in Section III.1.11.3(e). Do Not Exceed Dispatchable Generators are Dispatchable Resources.

**Do Not Exceed Dispatch Point** is a Dispatch Instruction indicating a maximum output level that a DNE Dispatchable Generator must not exceed.

**Dynamic De-List Bid** is a bid submitted by Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources, and Existing Distributed Energy Capacity Resources in the Forward Capacity Auction below the Dynamic De-List Bid Threshold, as described in Section III.13.2.3.2(d) of Market Rule 1.

**Dynamic De-List Bid Threshold** is the price specified in Section III.13.1.2.3.1.A of Market Rule 1 associated with the submission of Dynamic De-List Bids in the Forward Capacity Auction.

**EA Amount** is defined in Section IV.B.2.2 of the Tariff.

**Early Amortization Charge (EAC)** is defined in Section IV.B.2 of the Tariff.

**Early Amortization Working Capital Charge (EAWCC)** is defined in Section IV.B.2 of the Tariff.

**Early Payment Shortfall Funding Amount (EPSF Amount)** is defined in Section IV.B.2.4 of the Tariff.

**Early Payment Shortfall Funding Charge (EPSFC)** is defined in Section IV.B.2 of the Tariff.

**EAWW Amount** is defined in Section IV.B.2.3 of the Tariff.

**EBITDA-to-Interest Expense Ratio** is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's earnings before interest, taxes, depreciation and amortization in the most recent fiscal quarter divided by that Market Participant's or Non-Market Participant Transmission Customer's expense for interest in that fiscal quarter, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

**Economic Dispatch Point** is the output, reduction, or consumption level to which a Resource would have been dispatched, based on the Resource's Supply Offer, Demand Reduction Offer, or Demand Bid and the Real-Time Price, and taking account of any operating limits, had the ISO not dispatched the Resource to another Desired Dispatch Point.

**Economic Maximum Limit or Economic Max** is the maximum available output, in MW, of a Generator Asset that a Market Participant offers to supply in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Generator Asset's Offer Data. This represents the highest MW output a Market Participant has offered for a Generator Asset for economic dispatch. A Market Participant must maintain an up-to-date Economic Maximum Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Economic Maximum Limit) for all hours in which a Generator Asset has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

**Economic Minimum Limit or Economic Min** is (a) for a Generator Asset with an incremental heat rate, the maximum of: (i) the lowest sustainable output level as specified by physical design characteristics, environmental regulations or licensing limits; and (ii) the lowest sustainable output level at which a one MW increment increase in the output level would not decrease the incremental cost, calculated based on the incremental heat rate, of providing an additional MW of output, and (b) for a Generator Asset without an incremental heat rate, the lowest sustainable output level that is consistent with the physical design characteristics of the Generator Asset and with meeting all environmental regulations and licensing limits, and (c) for a Generator Asset undergoing Facility and Equipment Testing or auditing, the level to which the Generator Asset requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing, and (d) for Non-Dispatchable Resources the output level at which a Market Participant anticipates its Non-Dispatchable Resource will be available to operate based on fuel limitations, physical design characteristics, environmental regulations or licensing limits.

**Economic Study or Economic Studies** are studies conducted by the ISO pursuant to the process set out in Section 17 of Attachment K to the OATT.

**Effective Offer** is the Supply Offer, Demand Reduction Offer, Demand Bid or Day-Ahead Ancillary Services Offer that is used for NCPC calculation purposes as specified in Section III.F.1(a).

**EFT** is electronic funds transfer.

**Elective Transmission Upgrade** is defined in Section I of Schedule 25 of the OATT.

**Elective Transmission Upgrade Interconnection Customer** is defined in Schedule 25 of the OATT.

**Electric Reliability Organization (ERO)** is defined in 18 C.F.R. § 39.1.

**Electric Storage Facility** is a storage facility that participates in the New England Markets as described in Section III.1.10.6 of Market Rule 1.

**Eligible Customer** is: (i) Any entity that is engaged, or proposes to engage, in the wholesale or retail electric power business is an Eligible Customer under the OATT. (ii) Any electric utility (including any power marketer), Federal power marketing agency, or any other entity generating electric energy for sale or for resale is an Eligible Customer under the OATT. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the unbundled transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer). (iii) Any end user taking or eligible to take unbundled transmission service or Local Delivery Service pursuant to a state requirement that the Transmission Owner with which that end user is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that end user is directly interconnected, or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) is an Eligible Customer under the OATT.

**Eligible FTR Bidder** is an entity that has satisfied applicable financial assurance criteria, and shall not include the auctioneer, its Affiliates, and their officers, directors, employees, consultants and other representatives.

**Emergency** is an abnormal system condition on the bulk power systems of New England or neighboring Control Areas requiring manual or automatic action to maintain system frequency, or to prevent the involuntary loss of load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or a fuel shortage requiring departure from normal operating procedures in order to minimize the use of such scarce fuel; or a condition that requires implementation of Emergency procedures as defined in the ISO New England Manuals.

**Emergency Condition** means an Emergency has been declared by the ISO in accordance with the procedures set forth in the ISO New England Manuals and ISO New England Administrative Procedures.

**Emergency Energy** is energy transferred from one control area operator to another in an Emergency.

**Emergency Minimum Limit or Emergency Min** means the minimum output, in MWs, that a Generator Asset can deliver for a limited period of time without exceeding specified limits of equipment stability and operating permits.

**EMS** is energy management system.

**End-of-Round Price** is the lowest price associated with a round of a Forward Capacity Auction, as described in Section III.13.2.3.1 of Market Rule 1.

**End User Participant** is defined in Section 1 of the Participants Agreement.

**Energy** is power produced in the form of electricity, measured in kilowatthours or megawatthours.

**Energy Administration Service (EAS)** is the service provided by the ISO, as described in Schedule 2 of Section IV.A of the Tariff.

**Energy Component** means the Locational Marginal Price at the reference point.

**Energy Efficiency** is installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy needed, while delivering a comparable or improved level of end-use service. Such measures include, but are not limited to, the installation of more energy efficient lighting, motors, refrigeration, HVAC equipment and control systems, envelope measures, operations and maintenance procedures, and industrial process equipment.

**Energy Imbalance Service** is the form of Ancillary Service described in Schedule 4 of the OATT.

**Energy Market** is, collectively, the Day-Ahead Energy Market and the Real-Time Energy Market.

**Energy Non-Zero Spot Market Settlement Hours** are the sum of the hours for which the Customer has a positive or negative Real-Time System Adjusted Net Interchange or for which the Customer has a positive or negative Real-Time Demand Reduction Obligation as determined by the ISO settlement process for the Energy Market.

**Energy Offer Floor** is negative \$150/MWh.

**Energy Transaction Units (Energy TUs)** are the sum for the month for a Customer of Bilateral Contract Block-Hours, Demand Bid Block-Hours, Asset Related Demand Bid Block-Hours, Supply Offer Block-Hours, Demand Reduction Offer Block-Hours, Day-Ahead Ancillary Services Offer Block-Hours, and Energy Non-Zero Spot Market Settlement Hours.

**Equipment Damage Reimbursement** is the compensation paid to the owner of a Designated Blackstart Resource as specified in Section 5.5 of Schedule 16 to the OATT.

**Equivalent Demand Forced Outage Rate (EFORD)** means the portion of time a unit is in demand, but is unavailable due to forced outages.

**Establish Claimed Capability Audit** is the audit performed pursuant to Section III.1.5.1.2.

**Excepted Transaction** is a transaction specified in Section II.40 of the Tariff for the applicable period specified in that Section.

**Existing Capacity Qualification Deadline** is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

**Existing Capacity Qualification Package** is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

**Existing Capacity Resource** is any resource that does not meet any of the eligibility criteria to participate in the Forward Capacity Auction as a New Capacity Resource.

**Existing Capacity Retirement Deadline** is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

**Existing Capacity Retirement Package** is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

**Existing Demand Capacity Resource** is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.2 of Market Rule 1.

**Existing Distributed Energy Capacity Resource** is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.2 of Market Rule 1.

**Existing Generating Capacity Resource** is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.2.1 of Market Rule 1.

**Existing Import Capacity Resource** is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.1 of Market Rule 1.

**Expedited Study Request** is defined in Section II.34.7 of the OATT.

**Export-Adjusted LSR** is as defined in Section III.12.4(b)(ii).

**Export Bid** is a bid submitted by certain resources in the Forward Capacity Auction to export capacity to an external Control Area, as described in Section III.13.1.2.3.1.3 of Market Rule 1.

**Export Offer Segment** is the total MW quantity of a Capacity Offer that is subject to a contract to export capacity outside the New England Control Area during the Capacity Commitment Period associated with the Capacity Offer, whether such MW quantity is delimited by only one price-quantity pair or multiple price-quantity pairs submitted as part of the Capacity Offer pursuant to Section III.15.4.1.

**Exports** are Real-Time External Transactions, which are limited to sales from the New England Control Area, for exporting energy out of the New England Control Area.

**External Elective Transmission Upgrade (External ETU)** is defined in Section I of Schedule 25 of the OATT.

**External Market Monitor** means the person or entity appointed by the ISO Board of Directors pursuant to Section III.A.1.2 of Appendix A of Market Rule 1 to carry out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

**External Node** is a proxy bus or buses used for establishing a Locational Marginal Price for energy received by Market Participants from, or delivered by Market Participants to, a neighboring Control Area or for establishing Locational Marginal Prices associated with energy delivered through the New England Control Area by Non-Market Participants for use in calculating Non-Market Participant Congestion Costs and loss costs.

**External Resource** means a generation resource located outside the metered boundaries of the New England Control Area.

**External Transaction** is the import of external energy into the New England Control Area by a Market Participant or the export of internal energy out of the New England Control Area by a Market Participant in the Day-Ahead Energy Market and/or Real-Time Energy Market, or the wheeling of external energy

through the New England Control Area by a Market Participant or a Non-Market Participant in the Real-Time Energy Market.

**External Transaction Cap** is \$2,000/MWh for External Transactions other than Coordinated External Transactions and \$1,000/MWh for Coordinated External Transactions.

**External Transaction Floor** is the Energy Offer Floor for External Transactions other than Coordinated External Transactions and negative \$1,000/MWh for Coordinated External Transactions.

**External Transmission Project** is a transmission project comprising facilities located wholly outside the New England Control Area and regarding which an agreement has been reached whereby New England ratepayers will support all or a portion of the cost of the facilities.

**Facilities Study** is an engineering study conducted pursuant to the OATT by the ISO (or, in the case of Local Service or interconnections to Local Area Facilities as defined in the TOA, by one or more affected PTOs) or some other entity designated by the ISO in consultation with any affected Transmission Owner(s), to determine the required modifications to the PTF and Non-PTF, including the cost and scheduled completion date for such modifications, that will be required to provide a requested transmission service or interconnection on the PTF and Non-PTF.

**Facility and Equipment Testing** means operation of a Resource to evaluate the functionality of the facility or equipment utilized in the operation of the facility.

**Failure to Maintain Blackstart Capability** is a failure of a Blackstart Owner or Designated Blackstart Resource to meet the Blackstart Service Minimum Criteria or Blackstart Service obligations, but does not include a Failure to Perform During a System Restoration event.

**Failure to Perform During a System Restoration** is a failure of a Blackstart Owner or Designated Blackstart Resource to follow ISO or Local Control Center dispatch instructions or perform in accordance with the dispatch instructions or the Blackstart Service Minimum Criteria and Blackstart Service obligations, described within the ISO New England Operating Documents, during a restoration of the New England Transmission System.

**Fast Start Demand Response Resource** is a Demand Response Resource that meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; (ii) Minimum Time Between Reductions does not exceed one hour; (iii) Demand Response Resource Start-Up Time plus Demand Response Resource Notification Time does not exceed 30 minutes; (iv) has personnel available to respond to Dispatch Instructions or has automatic remote response capability; and (v) is capable of receiving and acknowledging a Dispatch Instruction electronically.

**Fast Start Generator** means a Generator Asset that the ISO can dispatch to an on-line or off-line state through electronic dispatch and that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes; (iv) available for dispatch (when it is either in an on-line or off-line state) and manned or has automatic remote dispatch capability; and (v) capable of receiving and acknowledging a start-up or shut-down Dispatch Instruction electronically.

**FCA Qualified Capacity** is the Qualified Capacity that is used in a Forward Capacity Auction.

**FCM Capacity Charge Requirements** are calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

**FCM Charge Rate** is calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

**FCM Commercial Operation** is defined in Section III.13.3.8 of Market Rule 1.

**FCM Deposit** is calculated in accordance with Section VII.B.1 of the ISO New England Financial Assurance Policy.

**FCM Financial Assurance Requirements** are described in Section VII of the ISO New England Financial Assurance Policy.

**Final Forward Reserve Obligation** is calculated in accordance with Section III.9.8(a) of Market Rule 1.

**Financial Assurance Default** results from a Market Participant or Non-Market Participant Transmission Customer's failure to comply with the ISO New England Financial Assurance Policy.

**Financial Assurance Obligations** relative to the ISO New England Financial Assurance Policy are determined in accordance with Section III.A(v) of the ISO New England Financial Assurance Policy.

**Financial Transmission Right (FTR)** is a financial instrument that evidences the rights and obligations specified in Sections III.5.2.2 and III.7 of the Tariff.

**Firm Point-To-Point Service** is service which is arranged for and administered between specified Points of Receipt and Delivery in accordance with Part II.C of the OATT.

**Firm Transmission Service** is Regional Network Service, Through or Out Service, service for Excepted Transactions, firm MTF Service, firm OTF Service, and firm Local Service.

**Flexible DNE Dispatchable Generator** is any DNE Dispatchable Generator that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; and (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes.

**Force Majeure** - An event of Force Majeure means any act of God, labor disturbance, act of the public enemy or terrorists, war, invasion, insurrection, riot, fire, storm or flood, ice, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond the control of the ISO, a Transmission Owner, a Schedule 20 Service Provider, or a Customer, including without limitation, in the case of the ISO, any action or inaction by a Customer, a Schedule 20 Service Provider, or a Transmission Owner, in the case of a Transmission Owner, any action or inaction by the ISO, any Customer, a Schedule 20 Service Provider, or any other Transmission Owner, in the case of a Schedule 20 Service Provider, any action or inaction by the ISO, any Customer, a Transmission Owner, or any other Schedule 20 Service Provider, and, in the case of a Transmission Customer, any action or inaction by the ISO, a Schedule 20 Service Provider, or any Transmission Owner.

**Forecast Energy Requirement Demand Quantity** is described in Section III.1.8.4 of Market Rule 1.

**Forecast Energy Requirement Penalty Factor** is a rate, in \$/MWh, that is used within the Day-Ahead Market security-constrained economic commitment and dispatch process to reflect the value of forecast energy requirement shortages and is defined in Section III.2.6.2(d) of Market Rule 1.

**Forecast Energy Requirement Price** is determined in accordance with Section III.2.6.2(b) of Market Rule 1.

**Forward Capacity Auction (FCA)** is the annual Forward Capacity Market auction process described in Section III.13.2 of Market Rule 1. The final Forward Capacity Auction was for the Capacity Commitment Period beginning on June 1, 2027.

**Forward Capacity Auction Starting Price** is calculated in accordance with Section III.13.2.4 of Market Rule 1.

**Forward Capacity Market (FCM)** is the forward market for procuring capacity in the New England Control Area, as described in Section III.13 of Market Rule 1.

**Forward Energy Inventory Election** is the total MWh value for which a Market Participant elects to be compensated at the forward rate in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

**Forward LNG Inventory Election** is the portion of a Market Participant's Forward Energy Inventory Election attributed to liquefied natural gas in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

**Forward Reserve** means TMNSR and TMOR purchased by the ISO on a forward basis on behalf of Market Participants as provided for in Section III.9 of Market Rule 1.

**Forward Reserve Assigned Megawatts** is the amount of Forward Reserve, in megawatts, that a Market Participant assigns to eligible Forward Reserve Resources to meet its Forward Reserve Obligation as defined in Section III.9.4.1 of Market Rule 1.

**Forward Reserve Auction** is the periodic auction conducted by the ISO in accordance with Section III.9 of Market Rule 1 to procure Forward Reserve.

**Forward Reserve Auction Offers** are offers to provide Forward Reserve to meet system and Reserve Zone requirements as submitted by a Market Participant in accordance with Section III.9.3 of Market Rule 1.

**Forward Reserve Charge** is a Market Participant's share of applicable system and Reserve Zone Forward Reserve costs attributable to meeting the Forward Reserve requirement as calculated in accordance with Section III.9.9 of Market Rule 1.

**Forward Reserve Clearing Price** is the clearing price for TMNSR or TMOR, as applicable, for the system and each Reserve Zone resulting from the Forward Reserve Auction as defined in Section III.9.4 of Market Rule 1.

**Forward Reserve Credit** is the credit received by a Market Participant that is associated with that Market Participant's Final Forward Reserve Obligation as calculated in accordance with Section III.9.8 of Market Rule 1.

**Forward Reserve Delivered Megawatts** are calculated in accordance with Section III.9.6.5 of Market Rule 1.

**Forward Reserve Delivery Period** is defined in Section III.9.1 of Market Rule 1.

**Forward Reserve Failure-to-Activate Megawatts** are calculated in accordance with Section III.9.7.2(a) of Market Rule 1.

**Forward Reserve Failure-to-Activate Penalty** is the penalty associated with a Market Participant's failure to activate Forward Reserve when requested to do so by the ISO and is defined in Section III.9.7.2 of Market Rule 1.

**Forward Reserve Failure-to-Activate Penalty Rate** is specified in Section III.9.7.2 of Market Rule 1.

**Forward Reserve Failure-to-Reserve**, as specified in Section III.9.7.1 of Market Rule 1, occurs when a Market Participant's Forward Reserve Delivered Megawatts for a Reserve Zone in an hour is less than that Market Participant's Forward Reserve Obligation for that Reserve Zone in that hour. Under these circumstances the Market Participant pays a penalty based upon the Forward Reserve Failure-to-Reserve Penalty Rate and that Market Participant's Forward Reserve Failure-to-Reserve Megawatts.

**Forward Reserve Failure-to-Reserve Megawatts** are calculated in accordance with Section III.9.7.1(a) of Market Rule 1.

**Forward Reserve Failure-to-Reserve Penalty** is the penalty associated with a Market Participant's failure to reserve Forward Reserve and is defined in Section III.9.7.1 of Market Rule 1.

**Forward Reserve Failure-to-Reserve Penalty Rate** is specified in Section III.9.7.1(b)(ii) of Market Rule 1.

**Forward Reserve Fuel Index** is the index or set of indices used to calculate the Forward Reserve Threshold Price as defined in Section III.9.6.2 of Market Rule 1.

**Forward Reserve Heat Rate** is the heat rate as defined in Section III.9.6.2 of Market Rule 1 that is used to calculate the Forward Reserve Threshold Price.

**Forward Reserve Market** is a market for forward procurement of two reserve products, Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

**Forward Reserve MWs** are those megawatts assigned to specific eligible Forward Reserve Resources which convert a Forward Reserve Obligation into a Resource-specific obligation.

**Forward Reserve Obligation** is a Market Participant's amount, in megawatts, of Forward Reserve that cleared in the Forward Reserve Auction and adjusted, as applicable, to account for bilateral transactions that transfer Forward Reserve Obligations.

**Forward Reserve Obligation Charge** is defined in Section III.10.4 of Market Rule 1.

**Forward Reserve Offer Cap** is \$7,100/megawatt-month.

**Forward Reserve Payment Rate** is defined in Section III.9.8 of Market Rule 1.

**Forward Reserve Procurement Period** is defined in Section III.9.1 of Market Rule 1. As described in Section III.9.1, the final Forward Reserve Procurement Period shall run from October 1, 2024 through February 28, 2025.

**Forward Reserve Qualifying Megawatts** refer to all or a portion of a Forward Reserve Resource's capability offered into the Real-Time Energy Market at energy offer prices above the applicable Forward Reserve Threshold Price that are calculated in accordance with Section III.9.6.4 of Market Rule 1.

**Forward Reserve Resource** is a Resource that meets the eligibility requirements defined in Section III.9.5.2 of Market Rule 1 that has been assigned Forward Reserve Obligation by a Market Participant.

**Forward Reserve Threshold Price** is the minimum price at which assigned Forward Reserve Megawatts are required to be offered into the Real-Time Energy Market as calculated in Section III.9.6.2 of Market Rule 1.

**FTR Auction** is the periodic auction of FTRs conducted by the ISO in accordance with Section III.7 of Market Rule 1.

**FTR Auction Revenue** is the revenue collected from the sale of FTRs in FTR Auctions. FTR Auction Revenue is payable to FTR Holders who submit their FTRs for sale in the FTR Auction in accordance with Section III.7 of Market Rule 1 and to ARR Holders and Incremental ARR Holders in accordance with Appendix C of Market Rule 1.

**FTR Credit Test Percentage** is calculated in accordance with Section III.B.1(b) of the ISO New England Financial Assurance Policy.

**FTR Financial Assurance Requirements** are described in Section VI of the ISO New England Financial Assurance Policy.

**FTR Holder** is an entity that acquires an FTR through the FTR Auction to Section III.7 of Market Rule 1 and registers with the ISO as the holder of the FTR in accordance with Section III.7 of Market Rule 1 and applicable ISO New England Manuals.

**FTR-Only Customer** is a Market Participant that transacts in the FTR Auction and that does not participate in other markets or programs of the New England Markets. References in this Tariff to a “Non-Market Participant FTR Customers” and similar phrases shall be deemed references to an FTR-Only Customer.

**FTR Settlement Risk Financial Assurance** is an amount of financial assurance required by a Designated FTR Participant for each bid submission into an FTR Auction and for each bid awarded to the individual participant in an FTR Auction. This amount is calculated pursuant to Section VI.A of the ISO New England Financial Assurance Policy.

**GADS Data** means data submitted to the NERC for collection into the NERC’s Generating Availability Data System (GADS).

**Gap Request for Proposals (Gap RFP)** is defined in Section III.11 of Market Rule 1.

**Gas Day** means a period of 24 consecutive hours beginning at 0900 hrs Central Time.

**Generating Capacity Resource** means a type of resource participating in the Capacity Market that meets the qualification requirements for such a resource type specified in Section III.15.2..

**Generator Asset** is a device (or a collection of devices) that is capable of injecting real power onto the grid that has been registered as a Generator Asset in accordance with the Asset Registration Process.

**Generator Imbalance Service** is the form of Ancillary Service described in Schedule 10 of the OATT.

**Generator Interconnection Related Upgrade** is an addition to or modification of the New England Transmission System (pursuant to Section II.47.1, Schedule 22 or Schedule 23 of the OATT) to effect the interconnection of a new generating unit or an existing generating unit whose energy capability or capacity capability is being materially changed and increased whether or not the interconnection is being

effected to meet the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard. As to Category A Projects (as defined in Schedule 11 of the OATT), a Generator Interconnection Related Upgrade also includes an upgrade beyond that required to satisfy the Network Capability Interconnection Standard (or its predecessor) for which the Generator Owner has committed to pay prior to October 29, 1998.

**Generator Owner** is the owner, in whole or part, of a generating unit whether located within or outside the New England Control Area.

**Good Utility Practice** means any of the practices, methods and acts engaged in or approved by a significant portion of the 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 at a reasonable cost 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 includes all acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

**Governance Only Member** is defined in Section 1 of the Participants Agreement.

**Governance Participant** is defined in the Participants Agreement.

**Governing Documents**, for the purposes of the ISO New England Billing Policy, are the Transmission, Markets and Services Tariff and ISO Participants Agreement.

**Governing Rating** is the lowest corporate rating from any Rating Agency for that Market Participant, or, if the Market Participant has no corporate rating, then the lowest rating from any Rating Agency for that Market Participant's senior unsecured debt.

**Grandfathered Agreements (GAs)** is a transaction specified in Section II.45 for the applicable period specified in that Section.

**Grandfathered Intertie Agreement (GIA)** is defined pursuant to the TOA.

**Handy-Whitman Index of Public Utility Construction Costs** is the Total Other Production Plant index shown in the Cost Trends of Electric Utility Construction for the North Atlantic Region as published in the Handy-Whitman Index of Public Utility Construction Costs.

**Highgate Transmission Facilities (HTF)** are existing U. S.-based transmission facilities covered under the Agreement for Joint Ownership, Construction and Operation of the Highgate Transmission Interconnection dated as of August 1, 1984 including (1) the whole of a 200 megawatt high-voltage, back-to-back, direct-current converter facility located in Highgate, Vermont and (2) a 345 kilovolt transmission line within Highgate and Franklin, Vermont (which connects the converter facility at the U.S.-Canadian border to a Hydro-Quebec 120 kilovolt line in Bedford, Quebec). The HTF include any upgrades associated with increasing the capacity or changing the physical characteristics of these facilities as defined in the above stated agreement dated August 1, 1984 until the Operations Date, as defined in the TOA. The current HTF rating is a nominal 225 MW. The HTF are not defined as PTF. Coincident with the Operations Date and except as stipulated in Schedules, 9, 12, and Attachment F to the OATT, HTF shall be treated in the same manner as PTF for purposes of the OATT and all references to PTF in the OATT shall be deemed to apply to HTF as well. The treatment of the HTF is not intended to establish any binding precedent or presumption with regard to the treatment for other transmission facilities within the New England Transmission System (including HVDC, MTF, or Control Area Interties) for purposes of the OATT.

**Host Participant or Host Utility** is a Market Participant or a Governance Participant transmission or distribution provider that reconciles the loads within the metering domain with OP-18 compliant metering.

**Hourly Charges** are defined in Section 1.3 of the ISO New England Billing Policy.

**Hourly Requirements** are determined in accordance with Section III.A(i) of the ISO New England Financial Assurance Policy.

**Hourly Shortfall NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Hub** is a specific set of pre-defined Nodes for which a Locational Marginal Price will be calculated for the Day-Ahead Energy Market and Real-Time Energy Market and which can be used to establish a reference price for energy purchases and the transfer of Day-Ahead Adjusted Load Obligations and Real-Time Adjusted Load Obligations and for the designation of FTRs.

**Hub Price** is calculated in accordance with Section III.2.8 of Market Rule 1.

**HQ Interconnection Capability Credit (HQICC)** is a monthly value reflective of the annual installed capacity benefits of the Phase I/II HVDC-TF, as determined by the ISO, using a standard methodology on file with the Commission, in conjunction with the setting of the Installed Capacity Requirement. An appropriate share of the HQICC shall be assigned to an IRH if the Phase I/II HVDC-TF support costs are paid by that IRH and such costs are not included in the calculation of the Regional Network Service rate. The share of HQICC allocated to such an eligible IRH for a month is the sum in kilowatts of (1)(a) the IRH's percentage share, if any, of the Phase I Transfer Capability times (b) the Phase I Transfer Credit, plus (2)(a) the IRH's percentage share, if any, of the Phase II Transfer Capability, times (b) the Phase II Transfer Credit. The ISO shall establish appropriate HQICCs to apply for an IRH which has such a percentage share.

**Import Capacity Resource** is a type of resource participating in the Capacity Market that meets the qualification requirements for such a resource type specified in Section III.15.2.

**Inadvertent Energy Revenue** is defined in Section III.3.2.1(o) of Market Rule 1.

**Inadvertent Energy Revenue Charges or Credits** is defined in Section III.3.2.1(p) of Market Rule 1.

**Inadvertent Interchange** means the difference between net actual energy flow and net scheduled energy flow into or out of the New England Control Area.

**Increment Offer** means an offer to sell energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical supply. An accepted Increment Offer results in scheduled supply at the specified Location in the Day-Ahead Energy Market.

**Incremental ARR** is an ARR provided in recognition of a participant-funded transmission system upgrade pursuant to Appendix C of this Market Rule.

**Incremental ARR Holder** is an entity which is the record holder of an Incremental Auction Revenue Right in the register maintained by the ISO.

**Incremental Cost of Reliability Service** is described in Section II.54.5 of the OATT..

**Independent Transmission Company (ITC)** is a transmission entity that assumes certain responsibilities in accordance with Section 10.05 of the Transmission Operating Agreement and Attachment M to the OATT, subject to the acceptance or approval of the Commission and a finding of the Commission that the transmission entity satisfies applicable independence requirements.

**Information Request** is a request from a potential Disputing Party submitted in writing to the ISO for access to Confidential Information.

**Initial Market Participant Financial Assurance Requirement** is calculated for new Market Participants and Returning Market Participants, other than an FTR-Only Customer or a Governance Only Member, according to Section IV of the ISO New England Financial Assurance Policy.

**Initial State of Charge** is the State of Charge that an Electric Storage Facility offers at the start of hour one of the Day-Ahead Energy Market.

**Installed Capacity Requirement** means the level of capacity required to meet the reliability requirements defined for the New England Control Area, as described in Section III.12 of Market Rule 1.

**Interchange Transactions** are transactions deemed to be effected under Market Rule 1.

**Interconnecting Transmission Owner** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Interconnection Agreement** is the “Large Generator Interconnection Agreement”, the “Small Generator Interconnection Agreement”, or the “Elective Transmission Upgrade Interconnection Agreement”

pursuant to Schedules 22, 23 or 25 of the ISO OATT or an interconnection agreement approved by the Commission prior to the adoption of the Interconnection Procedures.

**Interconnection Customer** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Interconnection Procedure** is the “Large Generator Interconnection Procedures,” the “Small Generator Interconnection Procedures,” or the “Elective Transmission Upgrade Interconnection Procedures” pursuant to Schedules 22, 23, and 25 of the ISO OATT.

**Interconnection Reliability Operating Limit (IROL)** has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

**Interconnection Request** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, or Section I of Schedule 25 of the OATT.

**Interconnection Rights Holder(s) (IRH)** has the meaning given to it in Schedule 20A to Section II of this Tariff.

**Interest** is interest calculated in the manner specified in Section II.8.3.

**Interface Bid** is a unified real-time bid to simultaneously purchase and sell energy on each side of an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented.

**Intermittent Power Resource** is a wind, solar, run of river hydro or other renewable resource or an aggregation of wind, solar, run of river hydro and other renewable resources that does not have control over its net power output.

**Internal Bilateral for Load** is an internal bilateral transaction under which the buyer receives a reduction in Real-Time Load Obligation and the seller receives a corresponding increase in Real-Time Load Obligation in the amount of the sale, in MWs. An Internal Bilateral for Load transaction is only applicable in the Real-Time Energy Market.

**Internal Bilateral for Market for Energy** is an internal bilateral transaction for Energy which applies in the Day-Ahead Energy Market and Real-Time Energy Market or just the Real-Time Energy Market under which the buyer receives a reduction in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation and the seller receives a corresponding increase in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation in the amount of the sale, in MWs.

**Internal Elective Transmission Upgrade (Internal ETU)** is defined in Section I of Schedule 25 of the OATT.

**Internal Market Monitor** means the department of the ISO responsible for carrying out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

**Interregional Planning Stakeholder Advisory Committee (IPSAC)** is the committee described as such in the Northeast Planning Protocol.

**Interregional Transmission Project** is a transmission project located within the New England Control Area and one or more of the neighboring transmission planning regions.

**Interruption Cost** is the amount, in dollars, that must be paid to a Market Participant each time the Market Participant's Demand Response Resource is scheduled or dispatched in the New England Markets to reduce demand.

**Inventoried Energy Day** is an Operating Day that occurs in the months of December, January, or February during the winters of 2023-2024 and 2024-2025 (inventoried energy program) and for which the average of the high temperature and the low temperature on that Operating Day, as measured and reported by the National Weather Service at Bradley International Airport in Windsor Locks, Connecticut, is less than or equal to 17 degrees Fahrenheit, as described in Section III.K.3.1 of Market Rule 1.

**Investment Grade Rating**, for a Market (other than an FTR-Only Customer) or Non-Market Participant Transmission Customer, is either (a) a corporate investment grade rating from one or more of the Rating Agencies, or (b) if the Market Participant or Non-Market Participant Transmission Customer does not have a corporate rating from one of the Rating Agencies, then an investment grade rating for the Market

Participant's or Non-Market Participant Transmission Customer's senior unsecured debt from one or more of the Rating Agencies.

**Invoice** is a statement issued by the ISO for the net Charge owed by a Covered Entity pursuant to the ISO New England Billing Policy.

**Invoice Date** is the day on which the ISO issues an Invoice.

**ISO** means ISO New England Inc.

**ISO Charges**, for the purposes of the ISO New England Billing Policy, are both Non-Hourly Charges and Hourly Charges.

**ISO Control Center** is the primary control center established by the ISO for the exercise of its Operating Authority and the performance of functions as an RTO.

**ISO-Initiated Claimed Capability Audit** is the audit performed pursuant to Section III.1.5.1.4.

**ISO New England Administrative Procedures** means procedures adopted by the ISO to fulfill its responsibilities to apply and implement ISO New England System Rules.

**ISO New England Billing Policy** is Exhibit ID to Section I of the Transmission, Markets and Services Tariff.

**ISO New England Filed Documents** means the Transmission, Markets and Services Tariff, including but not limited to Market Rule 1, the Participants Agreement, the Transmission Operating Agreement or other documents that affect the rates, terms and conditions of service.

**ISO New England Financial Assurance Policy** is Exhibit IA to Section I of the Transmission, Markets and Services Tariff.

**ISO New England Information Policy** is the policy establishing guidelines regarding the information received, created and distributed by Market Participants and the ISO in connection with the settlement,

operation and planning of the System, as the same may be amended from time to time in accordance with the provisions of this Tariff. The ISO New England Information Policy is Attachment D to the Transmission, Markets and Services Tariff.

**ISO New England Manuals** are the manuals implementing Market Rule 1, as amended from time to time in accordance with the Participants Agreement. Any elements of the ISO New England Manuals that substantially affect rates, terms, and/or conditions of service shall be filed with the Commission under Section 205 of the Federal Power Act.

**ISO New England Operating Documents** are the Tariff and the ISO New England Operating Procedures.

**ISO New England Operating Procedures (OPs)** are the ISO New England Planning Procedures and the operating guides, manuals, procedures and protocols developed and utilized by the ISO for operating the ISO bulk power system and the New England Markets.

**ISO New England Planning Procedures** are the procedures developed and utilized by the ISO for planning the ISO bulk power system.

**ISO New England System Rules** are Market Rule 1, the ISO New England Information Policy, the ISO New England Administrative Procedures, the ISO New England Manuals and any other system rules, procedures or criteria for the operation of the New England Transmission System and administration of the New England Markets and the Transmission, Markets and Services Tariff.

**ITC Agreement** is defined in Attachment M to the OATT.

**ITC Rate Schedule** is defined in Section 3.1 of Attachment M to the OATT.

**ITC System** is defined in Section 2.2 of Attachment M to the OATT.

**ITC System Planning Procedures** is defined in Section 15.4 of Attachment M to the OATT.

**Joint ISO/RTO Planning Committee (JIPC)** is the committee described as such in the Northeastern Planning Protocol.

**Late Payment Account** is a segregated interest-bearing account into which the ISO deposits Late Payment Charges due from ISO Charges and interest owed from participants for late payments that are collected and not distributed to the Covered Entities, until the Late Payment Account Limit is reached, under the ISO New England Billing Policy and penalties collected under the ISO New England Financial Assurance Policy.

**Late Payment Account Limit** is defined in Section 4.2 of the ISO New England Billing Policy.

**Late Payment Charge** is defined in Section 4.1 of the ISO New England Billing Policy.

**Lead Market Participant**, for purposes other than the Forward Capacity Market or Annual Capacity Market, is the entity authorized to submit Supply Offers, Demand Bids, Demand Reduction Offers, Baseline Deviation Offers, or Day-Ahead Ancillary Services Offers for a Resource and to whom certain Energy TUs are assessed under Schedule 2 of Section IV.A of the Tariff. For purposes of the Forward Capacity Market, the Lead Market Participant is the entity designated to participate in that market on behalf of an Existing Capacity Resource or a New Capacity Resource. For purposes of the Annual Capacity Market, the Lead Market Participant is the entity designated to participate in that market on behalf of a Capacity Resource.

**Limited Energy Resource** means a Generator Asset that, due to design considerations, environmental restriction on operations, cyclical requirements, such as the need to recharge or refill or manage water flow, or fuel limitations, are unable to operate continuously at full output on a daily basis.

**Load Asset** means a physical load that has been registered in accordance with the Asset Registration Process. A Load Asset can be an Asset Related Demand, including a Dispatchable Asset Related Demand.

**Load Management** means measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that curtail electrical usage or shift electrical usage while delivering a comparable or acceptable level of end-use service. Such measures include, but are not

limited to, energy management systems, load control end-use cycling, load curtailment strategies, and energy storage that curtails or shifts electrical usage by means other than generating electricity.

**Load Shedding** is the systematic reduction of system demand by temporarily decreasing load.

**Load-Side Relationship Certification** is a certification described in Section III.A.21.1.4 that a Lead Market Participant submits as part of a submission of information pursuant to Section III.A.21.1.5 to demonstrate that certain capacity should not be subject to buyer-side market power review.

**Load Zone** is a Reliability Region, except as otherwise provided for in Section III.2.7 of Market Rule 1.

**Local Area Facilities** are defined in the TOA.

**Local Benefit Upgrade(s) (LBU)** is an upgrade, modification or addition to the transmission system that is: (i) rated below 115kV or (ii) rated 115kV or above and does not meet all of the non-voltage criteria for PTF classification specified in the OATT.

**Local Control Centers** are those control centers in existence as of the effective date of the OATT (including the CONVEX, REMVEC, Maine and New Hampshire control centers) or established by the PTOs in accordance with the TOA that are separate from the ISO Control Center and perform certain functions in accordance with the OATT and the TOA.

**Local Delivery Service** is the service of delivering electric energy to end users. This service is subject to state jurisdiction regardless of whether such service is provided over local distribution or transmission facilities. An entity that is an Eligible Customer under the OATT is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the Participating Transmission Owner and/or distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs and benefits.

**Local Longer-Term Transmission Upgrade** is any addition, modification, and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Longer-Term Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Section 16 of Attachment K to the OATT.

**Local Network** is defined as the transmission facilities constituting a local network as identified in Attachment E, as such Attachment may be modified from time to time in accordance with the Transmission Operating Agreement.

**Local Network Load** is the load that a Network Customer designates for Local Network Service under Schedule 21 to the OATT.

**Local Network RNS Rate** is the rate applicable to Regional Network Service to effect a delivery to load in a particular Local Network, as determined in accordance with Schedule 9 to the OATT.

**Local Network Service (LNS)** is the network service provided under Schedule 21 and the Local Service Schedules to permit the Transmission Customer to efficiently and economically utilize its resources to serve its load.

**Local Point-To-Point Service (LPTP)** is Point-to-Point Service provided under Schedule 21 of the OATT and the Local Service Schedules to permit deliveries to or from an interconnection point on the PTF.

**Local Public Policy Transmission Upgrade** is any addition and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Public Policy Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Attachment K to the ISO OATT or included in a Local System Plan in accordance with Appendix 1 to Attachment K.

**Local Resource Adequacy Requirement** is calculated pursuant to Section III.12.2.1.1.

**Local Second Contingency Protection Resources** are those Resources identified by the ISO on a daily basis as necessary for the provision of Operating Reserve requirements and adherence to NERC, NPCC and ISO reliability criteria over and above those Resources required to meet first contingency reliability criteria within a Reliability Region.

**Local Service** is transmission service provided under Schedule 21 and the Local Service Schedules thereto.

**Local Service Schedule** is a PTO-specific schedule to the OATT setting forth the rates, charges, terms and conditions applicable to Local Service.

**Local Sourcing Requirement (LSR)** is a value calculated as described in Section III.12.2.1 of Market Rule 1.

**Local System Planning (LSP)** is the process defined in Appendix 1 of Attachment K to the OATT.

**Localized Costs** are costs that the ISO, with advisory input from the Reliability Committee, determines in accordance with Schedule 12C of the OATT shall not be included in the Pool-Supported PTF costs recoverable under this OATT, or in costs allocated to Regional Network Load according to Section 6 and Section 10 of Schedule 12. If there are any Localized Costs, the ISO shall identify them in the Regional System Plan.

**Location** is a Node, External Node, Load Zone, DRR Aggregation Zone, or Hub.

**Locational Marginal Price (LMP)** is defined in Section III.2 of Market Rule 1. The Locational Marginal Price for a Node is the nodal price at that Node; the Locational Marginal Price for an External Node is the nodal price at that External Node; the Locational Marginal Price for a Load Zone, DRR Aggregation Zone or Reliability Region is the Zonal Price for that Load Zone, DRR Aggregation Zone or Reliability Region, respectively; and the Locational Marginal Price for a Hub is the Hub Price for that Hub.

**Long-Term** is a term of one year or more.

**Long-Term Transmission Outage** is a long-term transmission outage scheduled in accordance with ISO New England Operating Procedure No. 3.

**Longer-Term Proposal** is a proposal submitted by a Qualified Transmission Project Sponsor pursuant to Section 16.4(b) of Attachment K to the OATT.

**Longer-Term Transmission Solution** is the Longer-Term Proposal identified as the preferred solution pursuant to Section 16 of Attachment K to the OATT.

**Longer-Term Transmission Study** is a study conducted by the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT. The 2050 Transmission Study shall be the first Longer-Term Transmission Study.

**Longer-Term Transmission Upgrade** is an addition, modification, and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Longer-Term Transmission Upgrade PTF classification specified in the OATT and has been included in the Regional System Plan and RSP Project List as a Longer-Term Transmission Upgrade pursuant to the procedures described in Section 16 of Attachment K of the OATT.

**Loss Component** is the component of the nodal LMP at a given Node or External Node on the PTF that reflects the cost of losses at that Node or External Node relative to the reference point. The Loss Component of the nodal LMP at a given Node on the non-PTF system reflects the relative cost of losses at that Node adjusted as required to account for losses on the non-PTF system already accounted for through tariffs associated with the non-PTF. When used in connection with Hub Price or Zonal Price, the term Loss Component refers to the Loss Components of the nodal LMPs that comprise the Hub Price or Zonal Price, which Loss Components are averaged or weighted in the same way that nodal LMPs are averaged to determine Hub Price or weighted to determine Zonal Price.

**Loss of Load Expectation (LOLE)** is the probability of disconnecting non-interruptible customers due to a resource deficiency.

**Lost Opportunity Cost (LOC)** is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

**LSE** means load serving entity.

**Lump Sum Blackstart Payment** is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

**Lump Sum Blackstart Capital Payment** is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

**Manual Response Rate** is the rate, in MW/Minute, at which the output of a Generator Asset, or the consumption of a Dispatchable Asset Related Demand, is capable of changing.

**Marginal Loss Revenue Load Obligation** is defined in Section III.3.2.1(b) of Market Rule 1.

**Marginal Reliability Impact** is the change, with respect to an increment of capacity supply, in expected unserved energy due to resource deficiency, as measured in hours per year.

**Market Credit Limit** is a credit limit for a Market Participant's Financial Assurance Obligations (except FTR Financial Assurance Requirements) established for each Market Participant in accordance with Section II.C of the ISO New England Financial Assurance Policy.

**Market Credit Test Percentage** is calculated in accordance with Section III.B.1(a) of the ISO New England Financial Assurance Policy.

**Market Participant** is a participant in the New England Markets (including a FTR-Only Customer) that has executed a Market Participant Service Agreement, or on whose behalf an unexecuted Market Participant Service Agreement has been filed with the Commission.

**Market Participant Financial Assurance Requirement** is defined in Section III of the ISO New England Financial Assurance Policy.

**Market Participant Service Agreement (MPSA)** is an agreement between the ISO and a Market Participant, in the form specified in Attachment A or Attachment A-1 to the Tariff, as applicable.

**Market Rule 1** is ISO Market Rule 1 and appendices set forth in Section III of this ISO New England Inc. Transmission, Markets and Services Tariff, as it may be amended from time to time.

**Market Violation** is a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies.

**Material Adverse Change** is any change in financial status including, but not limited to a downgrade to below an Investment Grade Rating by any Rating Agency, being placed on credit watch with negative implication by any Rating Agency if the Market Participant or Non-Market Participant Transmission Customer does not have an Investment Grade Rating, a bankruptcy filing or other insolvency, a report of a significant quarterly loss or decline of earnings, the resignation of key officer(s), the sanctioning of the Market Participant or Non-Market Participant Transmission Customer or any of its Principles imposed by the Federal Energy Regulatory Commission, the Securities Exchange Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; the filing of a material lawsuit that could materially adversely impact current or future financial results; a significant change in the Market Participant's or Non-Market Participant Transmission Customer's credit default spreads; or a significant change in market capitalization.

**Material Adverse Impact** is defined, for purposes of review of ITC-proposed plans, as a proposed facility or project will be deemed to cause a "material adverse impact" on facilities outside of the ITC System if: (i) the proposed facility or project causes non-ITC facilities to exceed their capabilities or exceed their thermal, voltage or stability limits, consistent with all applicable reliability criteria, or (ii) the proposed facility or project would not satisfy the standards set forth in Section I.3.9 of the Transmission, Markets and Services Tariff. This standard is intended to assure the continued service of all non-ITC firm load customers and the ability of the non-ITC systems to meet outstanding transmission service obligations.

**Maximum Capacity Limit** is a value calculated as described in Section III.12.2.2 of Market Rule 1.

**Maximum Consumption Limit** is the maximum amount, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's Offer Data. A Market Participant must maintain an up-to-date Maximum Consumption Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Maximum Consumption Limit) for all hours in which a DARD has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

**Maximum Daily Award Limit** is a parameter that may be submitted as part of a Day-Ahead Ancillary Services Offer, as described in Section III.1.8.1, that expresses the maximum total megawatt-hours of Day-Ahead energy offered or bid and Day-Ahead Ancillary Services offered for the next Operating Day.

**Maximum Daily Energy Limit** is the maximum amount of megawatt-hours that a Limited Energy Resource expects to be able to generate in the next Operating Day.

**Maximum Daily Consumption Limit** is the maximum amount of megawatt-hours that a Storage DARD expects to be able to consume in the next Operating Day.

**Maximum Facility Load** is the highest demand of an end-use customer facility since the start of the prior calendar year (or, if unavailable, an estimate thereof), where the demand evaluated is established by adding metered demand measured at the Retail Delivery Point and the output of all generators located behind the Retail Delivery Point in the same time intervals.

**Maximum Interruptible Capacity** is an estimate of the maximum demand reduction and Net Supply that a Demand Response Asset can deliver, as measured at the Retail Delivery Point.

**Maximum Load** is the highest demand since the start of the prior calendar year (or, if unavailable, an estimate thereof), as measured at the Retail Delivery Point.

**Maximum Number of Daily Starts** is the maximum number of times that a Binary Storage DARD or a Generator Asset can be started or that a Demand Response Resource can be interrupted in the next Operating Day under normal operating conditions.

**Maximum Reduction** is the maximum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer.

**Maximum State of Charge** is the megawatt-hour value of stored energy, submitted by an Electric Storage Facility as part of its Offer Data for a given hour of the Day-Ahead Energy Market, above which the ISO shall not schedule the Electric Storage Facility to receive electricity from the grid.

**Measure Life** is the estimated time an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource measure will remain in place, or the estimated time period over which the facility, structure, equipment or system in which a measure is installed continues to exist, whichever is shorter. Suppliers of On-Peak Demand Capacity Resources or Seasonal Peak Demand Capacity Resources comprised of an aggregation of measures with varied Measures Lives shall determine and document the Measure Life either: (i) for each type of measure with a different Measure Life and adjust the aggregate performance based on the individual measure life calculation in the portfolio; or (ii) as the average Measure Life for the aggregated measures as long as the demand reduction capability of the resource is greater than or equal to the amount that cleared in the Forward Capacity Auction, Annual Capacity Auction, or reconfiguration auction for the entire Capacity Commitment Period, and the demand reduction capability for an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource is not over-stated in a subsequent Capacity Commitment Period. Measure Life shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements of Market Rule 1 and the ISO New England Manuals.

**Measurement and Verification Documents** mean the measurement and verification documents described in Section III.13.1.4.3.1 and Section III.15.2.1.1.2.1 of Market Rule 1 that are submitted by On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources, which include Measurement and Verification Plans, Updated Measurement and Verification Plans, Measurement and Verification Summary Reports, and Measurement and Verification Reference Reports.

**Measurement and Verification Plan** means the measurement and verification plan submitted by an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource as part of the qualification process for the Forward Capacity Auction pursuant to the requirements of Section III.13.1.4.3 of Market Rule 1, or as part of the qualification process for the Annual Capacity Auction pursuant to the requirements of Section III.15.2.1.1.2.1 of Market Rule 1, and the ISO New England Manuals.

**Measurement and Verification Reference Reports** are optional reports submitted by On-Peak Demand Capacity Resources or Seasonal Peak Demand Capacity Resources during the Capacity Commitment Period subject to the schedule in the Measurement and Verification Plan and consistent with the schedule

and reporting standards set forth in the ISO New England Manuals. Measurement and Verification Reference Reports update the prospective demand reduction capability of the On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource project based on measurement and verification studies performed during the Capacity Commitment Period.

**Measurement and Verification Summary Report** is the monthly report submitted by an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource with the monthly settlement report for the Forward Capacity Market or Annual Capacity Market, which documents the total demand reduction capability for all On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources in operation as of the end of the previous month.

**MEPCO Grandfathered Transmission Service Agreement (MGTSA)** is a MEPCO long-term firm point-to-point transmission service agreement with a POR or POD at the New Brunswick border and a start date prior to June 1, 2007 where the holder has elected, by written notice delivered to MEPCO within five (5) days following the filing of the settlement agreement in Docket Nos. ER07-1289 and EL08-56 or by September 1, 2008 (whichever is later), MGTSA treatment as further described in Section II.45.1.

**Merchant Transmission Facilities (MTF)** are the transmission facilities owned by MTOs, defined and classified as MTF pursuant to Schedule 18 of the OATT, over which the ISO shall exercise Operating Authority in accordance with the terms set forth in a MTOA or Attachment K to the OATT, rated 69 kV or above and required to allow energy from significant power sources to move freely on the New England Transmission System.

**Merchant Transmission Facilities Provider (MTF Provider)** is an entity as defined in Schedule 18 of the OATT.

**Merchant Transmission Facilities Service (MTF Service)** is transmission service over MTF as provided for in Schedule 18 of the OATT.

**Merchant Transmission Operating Agreement (MTOA)** is an agreement between the ISO and an MTO with respect to its MTF.

**Merchant Transmission Owner (MTO)** is an owner of MTF.

**Meter Data Error** means an error in meter data, including an error in Coincident Peak Contribution values, on an Invoice issued by the ISO after the completion of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.8 of Market Rule 1.

**Meter Data Error RBA Submission Limit** means the date thirty 30 calendar days after the issuance of the Invoice containing the results of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.6 of Market Rule 1.

**Metered Quantity For Settlement** is defined in Section III.3.2.1.1 of Market Rule 1.

**Minimum Consumption Limit** is (a) the lowest consumption level, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's Offer Data, and (b) for a DARD undergoing Facility and Equipment Testing or auditing, the level to which the DARD requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing.

**Minimum Down Time** is the number of hours that must elapse after a Generator Asset or Storage DARD has been released for shutdown at or below its Economic Minimum Limit or Minimum Consumption Limit before the Generator Asset or Storage DARD can be brought online and be released for dispatch at its Economic Minimum Limit or Minimum Consumption Limit.

**Minimum Generation Emergency** means an Emergency declared by the ISO in which the ISO anticipates requesting one or more Generator Assets to operate at or below Economic Minimum Limit in order to manage, alleviate, or end the Emergency.

**Minimum Generation Emergency Credits** are those Real-Time Dispatch NCPC Credits calculated pursuant to Appendix F of Market Rule 1 for resources within a reliability region that are dispatched during a period for which a Minimum Generation Emergency has been declared.

**Minimum Reduction** is the minimum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer.

**Minimum Reduction Time** is the minimum number of hours of demand reduction at or above the Minimum Reduction for which the ISO must dispatch a Demand Response Resource to reduce demand.

**Minimum Run Time** is the number of hours that a Generator Asset must remain online after it has been scheduled to reach its Economic Minimum Limit before it can be released for shutdown from its Economic Minimum Limit or the number of hours that must elapse after a Storage DARD has been scheduled to consume at its Minimum Consumption Limit before it can be released for shutdown.

**Minimum State of Charge** is the megawatt-hour value of stored energy, submitted by an Electric Storage Facility as part of its Offer Data for a given hour of the Day-Ahead Energy Market, below which the ISO shall not schedule the Electric Storage Facility to inject electricity to the grid.

**Minimum Time Between Reductions** is the number of hours that must elapse after a Demand Response Resource has received a Dispatch Instruction to stop reducing demand before the Demand Response Resource can achieve its Minimum Reduction after receiving a Dispatch Instruction to start reducing demand.

**Minimum Total Reserve Requirement**, which does not include Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

**Monthly Blackstart Service Charge** is the charge made to Transmission Customers pursuant to Section 6 of Schedule 16 to the OATT.

**Monthly Capacity Payment** is the Capacity Market payment described in Section III.13.7.3 or Section III.15.8.3 of Market Rule 1.

**Monthly Peak** is defined in Section II.21.2 of the OATT.

**Monthly Qualified Capacity** is the amount of a resource's Qualified Capacity eligible to participate in a Monthly Reconfiguration Auction or Capacity Supply Obligation Bilateral during the applicable month.

**Monthly Real-Time Demand Reduction Obligation** is the absolute value of a Customer's hourly Real-Time Demand Reduction Obligation summed for all hours in a month, in MWs.

**Monthly Real-Time Generation Obligation** is the sum, for all hours in a month, at all Locations, of a Customer's Real-Time Generation Obligation, in MWs.

**Monthly Real-Time Load Obligation** is the absolute value of a Customer's hourly Real-Time Load Obligation summed for all hours in a month, in MWs.

**Monthly Reconfiguration Auction** is the reconfiguration auction conducted by the ISO each month as described in Section III.13.4.7 for those Monthly Reconfiguration Auctions held for months prior to the Capacity Commitment Period beginning on June 1, 2028 and in Section III.15.5 for those Monthly Reconfiguration Auctions held for months subsequent to the start of the Capacity Commitment Period beginning on June 1, 2028.

**Monthly Regional Network Load** is defined in Section II.21.2 of the OATT.

**Monthly Statement** is the first weekly Statement issued on a Monday after the ninth of a calendar month that includes both the Hourly Charges for the relevant billing period and Non-Hourly Charges for the immediately preceding calendar month.

**MRI Transition Period** is the period specified in Section III.13.2.2.1.

**MUI** is the market user interface.

**Municipal Market Participant** is defined in Section II of the ISO New England Financial Assurance Policy.

**MW** is megawatt.

**MWh** is megawatt-hour.

**Native Load Customers** are the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate its system to meet the reliable electric needs of such customers.

**NCPC Charge** means the charges to Market Participants calculated pursuant to Appendix F to Market Rule 1.

**NCPC Credit** means the credits to Market Participants calculated pursuant to Appendix F to Market Rule 1.

**Needs Assessment** is defined in Section 4.1 of Attachment K to the OATT.

**NEMA**, for purposes of Section III of the Tariff, is the Northeast Massachusetts Reliability Region.

**NEMA Contract** is a contract described in Appendix C of Market Rule 1 and listed in Exhibit 1 of Appendix C of Market Rule 1.

**NEMA Load Serving Entity (NEMA LSE)** is a Transmission Customer or Congestion Paying LSE Entity that serves load within NEMA.

**NEMA or Northeast Massachusetts Upgrade**, for purposes of Section II of the Tariff, is an addition to or modification of the PTF into or within the Northeast Massachusetts Reliability Region that was not, as of December 31, 1999, the subject of a System Impact Study or application filed pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff; that is not related to generation interconnections; and that will be completed and placed in service by June 30, 2004. Such upgrades include, but are not limited to, new transmission facilities and related equipment and/or modifications to existing transmission facilities and related equipment. The list of NEMA Upgrades is contained in Schedule 12A of the OATT.

**NEPOOL** is the New England Power Pool, and the entities that collectively participated in the New England Power Pool.

**NEPOOL Agreement** is the agreement among the participants in NEPOOL.

**NEPOOL GIS** is the generation information system.

**NEPOOL GIS Administrator** is the entity or entities that develop, administer, operate and maintain the NEPOOL GIS.

**NEPOOL GIS API Fees** are the one-time on-boarding fees and annual maintenance fees charged to NEPOOL by the NEPOOL GIS Administrator for each NEPOOL Participant or Market Participant that accesses the NEPOOL GIS through an application programming interface pursuant to Rule 3.9(b) of the operating rules of the NEPOOL GIS.

**NEPOOL Participant** is a party to the NEPOOL Agreement.

**NERC** is the North American Electric Reliability Corporation or its successor organization.

**NESCOE** is the New England States Committee on Electricity, recognized by the Commission as the regional state committee for the New England Control Area.

**Net Commitment Period Compensation (NCPC)** is the compensation methodology for Resources that is described in Appendix F to Market Rule 1.

**Net CONE** is an estimate of the Cost of New Entry, net of non-capacity market revenues, for a reference technology resource type and is intended to equal the amount of capacity revenue the reference technology resource would require to be economically viable given reasonable expectations of the energy and ancillary services revenues under long-term equilibrium conditions.

**Net Regional Clearing Price** is described in Section III.13.7.5 or Section III.15.8.5 of Market Rule 1.

**Net Supply** is energy injected into the transmission or distribution system at a Retail Delivery Point.

**Net Supply Capability** is the maximum Net Supply a facility is physically and contractually able to inject into the transmission or distribution system at its Retail Delivery Point.

**Network Capability Interconnection Standard** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Network Customer** is a Transmission Customer receiving RNS or LNS.

**Network Import Capability (NI Capability)** is defined in Section I of Schedule 25 of the OATT.

**Network Import Interconnection Service (NI Interconnection Service)** is defined in Section I of Schedule 25 of the OATT.

**Network Resource** is defined as follows: (1) With respect to Market Participants, (a) any generating resource located in the New England Control Area which has been placed in service prior to the Compliance Effective Date (including a unit that has lost its capacity value when its capacity value is restored and a deactivated unit which may be reactivated without satisfying the requirements of Section II.46 of the OATT in accordance with the provisions thereof) until retired or deactivated; (b) any generating resource located in the New England Control Area which is placed in service after the Compliance Effective Date until retired or deactivated, provided that (i) the Generator Owner has complied with the requirements of Sections II.46 and II.47 and Schedules 22 and 23 of the OATT, and (ii) the output of the unit shall be limited in accordance with Sections II.46 and II.47 and Schedules 22 and 23, if required; and (c) any generating resource or combination of resources (including bilateral purchases) located outside the New England Control Area for so long as any Market Participant has an Ownership Share in the resource or resources which is being delivered to it in the New England Control Area to serve Regional Network Load located in the New England Control Area or other designated Regional Network Loads contemplated by Section II.18.3 of the OATT taking Regional Network Service. (2) With respect to Non-Market Participant Transmission Customers, any generating resource owned, purchased or leased by the Non-Market Participant Transmission Customer which it designates to serve Regional Network Load.

**Network Upgrades** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**New Brunswick Security Energy** is defined in Section III.3.2.6A of Market Rule 1.

**New Capacity Offer** is an offer in the Forward Capacity Auction to provide capacity from a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource.

**New Capacity Qualification Deadline** is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

**New Capacity Qualification Package** is information submitted by certain new resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

**New Capacity Resource** is a resource (i) that never previously received any payment as a capacity resource including any capacity payment pursuant to the market rules in effect prior to June 1, 2010 and that has not cleared in any previous Forward Capacity Auction; or (ii) that is otherwise eligible to participate in the Forward Capacity Auction as a New Capacity Resource.

**New Capacity Show of Interest Form** is a form applicable to the Forward Capacity Market described in Section III.13.1.1.2.1 of Market Rule 1.

**New Capacity Show of Interest Submission Window** is the period of time applicable to the Forward Capacity Market during which a Project Sponsor may submit a New Capacity Show of Interest Form, a New Demand Capacity Resource Show of Interest Form, or a New Distributed Energy Capacity Resource Show of Interest Form, as described in Section III.13.1.10 of Market Rule 1.

**New Demand Capacity Resource** is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.1 of Market Rule 1.

**New Demand Capacity Resource Qualification Package** is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource.

**New Demand Capacity Resource Show of Interest Form** is a form applicable to the Forward Capacity Market described in Section III.13.1.4.1.1.1 of Market Rule 1.

**New Distributed Energy Capacity Resource** is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.1 of Market Rule 1.

**New Distributed Energy Capacity Resource Qualification Package** is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4A.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource.

**New Distributed Energy Capacity Resource Show of Interest Form** is a form applicable to the Forward Capacity Market described in Section III.13.1.4A.1.1.1 of Market Rule 1.

**NECEC Transmission LLC (NECEC)** is defined in Schedule 20B to Section II of this Tariff.

**New England Clean Energy Connect Transmission Line (NECEC Transmission Line)** is defined in Schedule 20B to Section II of this Tariff.

**New England Control Area** is the Control Area for New England, which includes PTF, Non-PTF, MTF and OTF. The New England Control Area covers Connecticut, Rhode Island, Massachusetts, New Hampshire, Vermont, and part of Maine (i.e., excluding the portions of Northern Maine and the northern portion of Eastern Maine which are in the Maritimes Control Area).

**New England Markets Deactivation** is the permanent removal of a Generating Capacity Resource, Demand Capacity Resource, or Distributed Energy Capacity Resource from all New England Markets, or the permanent reduction in Capacity Network Import Capability and Network Import Capability of an External Elective Transmission Upgrade, as described in Section II.I of the OATT.

**New England Markets** are markets or programs for the purchase of energy, capacity, ancillary services, demand response services or other related products or services (including Financial Transmission Rights) that are delivered through or useful to the operation of the New England Transmission System and that are administered by the ISO pursuant to rules, rates, or agreements on file from time to time with the Federal Energy Regulatory Commission.

**New England System Restoration Plan** is the plan that is developed by ISO, in accordance with NERC Reliability Standards, NPCC regional criteria and standards, ISO New England Operating Documents and ISO operating agreements, to facilitate the restoration of the New England Transmission System following a partial or complete shutdown of the New England Transmission System.

**New England Transmission System** is the system of transmission facilities, including PTF, Non-PTF, OTF and MTF, within the New England Control Area under the ISO's operational jurisdiction.

**New Generating Capacity Resource** is a type of resource participating in the Forward Capacity Market, as described in Section III.13.1.1.1 of Market Rule 1.

**New Import Capacity Resource** is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.4 of Market Rule 1.

**NMPTC** means Non-Market Participant Transmission Customer.

**NMPTC Credit Threshold** is described in Section V.A.2 of the ISO New England Financial Assurance Policy.

**NMPTC Financial Assurance Requirement** is an amount of additional financial assurance for Non-Market Participant Transmission Customers described in Section V.D of the ISO New England Financial Assurance Policy.

**Node** is a point on the New England Transmission System at which LMPs are calculated.

**No-Load Fee** is the amount, in dollars per hour, for a Generator Asset that must be paid to Market Participants with an Ownership Share in the Generator Asset for being scheduled in the New England

Markets, in addition to the Start-Up Fee and price offered to supply energy, for each hour that the Generator Asset is scheduled in the New England Markets.

**Nominated Consumption Limit** is the consumption level specified by the Market Participant for a Dispatchable Asset Related Demand as adjusted in accordance with the provisions of Section III.13.7.5.2.1 or Section III.15.8.5.2.1.

**Non-Commercial Capacity** is the capacity of a resource that cleared in a Forward Capacity Auction for periods prior to the Annual Capacity Auction associated with the Capacity Commitment Period beginning on June 1, 2028, or otherwise acquired a Capacity Supply Obligation and remains on Critical Path Schedule monitoring as of June 1, 2028, for some or all of its capacity that acquired a Capacity Supply Obligation.

**Non-Commercial Capacity Cure Period** is the time period described in Section VII.D of the ISO New England Financial Assurance Policy.

**Non-Commercial Capacity Financial Assurance Amount (Non-Commercial Capacity FA Amount)** is the financial assurance amount held on Non-Commercial Capacity cleared in a Forward Capacity Auction as calculated in accordance with Section VII.B.2 of the ISO New England Financial Assurance Policy.

**Non-Designated Blackstart Resource Study Cost Payments** are the study costs reimbursed under Section 5.3 of Schedule 16 of the OATT.

**Non-Dispatchable Resource** is any Resource that does not meet the requirements to be a Dispatchable Resource.

**Non-Hourly Charges** are defined in Section 1.3 of the ISO New England Billing Policy.

**Non-Hourly Requirements** are determined in accordance with Section III.A(ii) of the ISO New England Financial Assurance Policy, which is Exhibit 1A of Section I of the Tariff.

**Non-Incumbent Transmission Developer** is a Qualified Transmission Project Sponsor that: (i) is not currently a PTO; (ii) has a transmission project listed in the RSP Project List; and (iii) has executed a Non-Incumbent Transmission Developer Operating Agreement. “Non-Incumbent Transmission Developer” also includes a PTO that proposes the development of a transmission facility not located within or connected to its existing electric system; however, because such a PTO is a party to the TOA, it is not required to enter into a Non-Incumbent Transmission Developer Operating Agreement.

**Non-Incumbent Transmission Developer Operating Agreement (or NTDOA)** is an agreement between the ISO and a Non-Incumbent Transmission Developer in the form specified in Attachment O to the OATT that sets forth their respective rights and responsibilities to each other with regard to proposals for and construction of certain transmission facilities.

**Non-Market Participant** is any entity that is not a Market Participant.

**Non-Market Participant Transmission Customer** is any entity which is not a Market Participant but is a Transmission Customer.

**Non-Municipal Market Participant** is defined in Section II of the ISO New England Financial Assurance Policy.

**Non-PTF Transmission Facilities (Non-PTF)** are the transmission facilities owned by the PTOs that do not constitute PTF, OTF or MTF.

**Non-Qualifying** means a Market Participant that is not a Credit Qualifying Market Participant.

**Notice of RBA** is defined in Section 6.3.2 of the ISO New England Billing Policy.

**Notification Time** is the time required for a Generator Asset to synchronize to the system from the time a startup Dispatch Instruction is received from the ISO.

**Northeastern Planning Protocol** is the Amended and Restated Northeastern ISO/RTO Planning Coordination Protocol on file with the Commission and posted on the ISO website at the following URL: [www.iso-ne.com/static-assets/documents/2015/07/northeastern\\_protocol\\_dmeast.doc](http://www.iso-ne.com/static-assets/documents/2015/07/northeastern_protocol_dmeast.doc).

NPCC is the Northeast Power Coordinating Council.

**Obligation Month** means a time period of one calendar month for which capacity payments are issued and the costs associated with capacity payments are allocated.

**Offer Data** means the scheduling, operations planning, dispatch, new Resource, and other data, including Generator Asset, Dispatchable Asset Related Demand, and Demand Response Resource operating limits based on physical characteristics, and information necessary to schedule and dispatch Generator Assets, Dispatchable Asset Related Demands, and Demand Response Resources for the provision or consumption of energy, the provision of other services, and the maintenance of the reliability and security of the transmission system in the New England Control Area, and specified for submission to the New England Markets for such purposes by the ISO.

**Offered CLAIM10** is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM10 of the resource that represents the amount of TMNSR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource that has not been dispatched.

**Offered CLAIM30** is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM30 of the resource that represents the amount of TMOR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource that has not been dispatched.

**On-Peak Demand Capacity Resource** is a type of Demand Capacity Resource and means installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource On-Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

**Open Access Same-Time Information System (OASIS)** is the ISO information system and standards of conduct responding to requirements of 18 C.F.R. §37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

**Open Access Transmission Tariff (OATT)** is Section II of the ISO New England Inc. Transmission, Markets and Services Tariff.

**Operating Authority** is defined pursuant to a MTOA, an OTOA, the TOA or the OATT, as applicable.

**Operating Data** means GADS Data, data equivalent to GADS Data, CARL Data, metered load data, or actual system failure occurrences data, all as described in the ISO New England Operating Procedures.

**Operating Day** means the calendar day period beginning at midnight for which transactions on the New England Markets are scheduled.

**Operating Reserve** means Ten-Minute Spinning Reserve (TMSR), Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

**Operations Date** is February 1, 2005.

**OTF Service** is transmission service over OTF as provided for in Schedule 20.

**Other Transmission Facility (OTF)** are the transmission facilities owned by Transmission Owners, defined and classified as OTF pursuant to Schedule 20, over which the ISO shall exercise Operating Authority in accordance with the terms set forth in the OTOA, rated 69 kV or above, and required to allow energy from significant power sources to move freely on the New England Transmission System.

**Other Transmission Operating Agreements (OTOA)** is the agreement(s) between the ISO, an OTO and/or the associated service provider(s) with respect to an OTF, which includes the HVDC Transmission Operating Agreement and the Phase I/II HVDC-TF Transmission Service Administration Agreement for the Phase I/II HVDC-TF and the NECEC Transmission Operating Agreement for the NECEC Transmission Line. With respect to the Phase I/II HVDC-TF, the HVDC Transmission Operating Agreement covers the rights and responsibilities for the operation of the facility and the Phase I/II HVDC-TF Transmission Service Administration Agreement covers the rights and responsibilities for the administration of transmission service.

**Other Transmission Owner (OTO)** is an owner of OTF.

**Ownership Share** is a right or obligation, for purposes of settlement, to a percentage share of all credits or charges associated with a Generator Asset or a Load Asset, where such facility is interconnected to the New England Transmission System.

**Participant Expenses** are defined in Section 1 of the Participants Agreement.

**Participant Required Balance** is defined in Section 5.3 of the ISO New England Billing Policy.

**Participant Vote** is defined in Section 1 of the Participants Agreement.

**Participants Agreement** is the agreement among the ISO, the New England Power Pool and Individual Participants, as amended from time to time, on file with the Commission.

**Participants Committee** is the principal committee referred to in the Participants Agreement.

**Participating Transmission Owner (PTO)** is a transmission owner that is a party to the TOA.

**Passive DR Audit** is the audit performed pursuant to Section III.13.6.1.5.4 or Section III.15.7.1.5.4.

**Passive DR Auditing Period** is the summer Passive DR Auditing Period (June 1 to August 31) or winter Passive DR Auditing Period (December 1 to January 31) applicable to On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources.

**Payment** is a sum of money due to a Covered Entity from the ISO.

**Payment Default Shortfall Fund** is defined in Section 5.1 of the ISO New England Billing Policy.

**Permanent De-list Bid** is a bid submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource in the Forward Capacity Auction to permanently remove itself from the capacity market, as described in Section III.13.1.2.3.1.5 of Market Rule 1.

**Phase I Transfer Credit** is 40% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

**Phase I/II HVDC-TF** is defined in Schedule 20A to Section II of this Tariff.

**Phase I/II HVDC-TF Transfer Capability** is the transfer capacity of the Phase I/II HVDC-TF under normal operating conditions, as determined in accordance with Good Utility Practice. The “Phase I Transfer Capability” is the transfer capacity under normal operating conditions, as determined in accordance with Good Utility Practice, of the Phase I terminal facilities as determined initially as of the time immediately prior to Phase II of the Phase I/II HVDC-TF first being placed in service, and as adjusted thereafter only to take into account changes in the transfer capacity which are independent of any effect of Phase II on the operation of Phase I. The “Phase II Transfer Capability” is the difference between the Phase I/II HVDC-TF Transfer Capability and the Phase I Transfer Capability.

Determinations of, and any adjustment in, Phase I/II HVDC-TF Transfer Capability shall be made by the ISO, and the basis for any such adjustment shall be explained in writing and posted on the ISO website.

**Phase One Proposal** is a first round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade, as applicable, by a Qualified Transmission Project Sponsor.

**Phase II Transfer Credit** is 60% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

**Phase Two Solution** is a second round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade by a Qualified Transmission Project Sponsor.

**Planning Advisory Committee** is the committee described in Attachment K of the OATT.

**Planning and Reliability Criteria** is defined in Section 3.3 of Attachment K to the OATT.

**Planning Authority** is an entity defined as such by the North American Electric Reliability Corporation.

**Point(s) of Delivery (POD)** is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available to the Receiving Party under the OATT.

**Point of Interconnection** shall have the same meaning as that used for purposes of Schedules 22, 23 and 25 of the OATT.

**Point(s) of Receipt (POR)** is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available by the Delivering Party under the OATT.

**Point-To-Point Service** is the transmission of capacity and/or energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Local Point-To-Point Service or OTF Service or MTF Service; and the transmission of capacity and/or energy from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Through or Out Service.

**Policy Scenario** is an Economic Study reference scenario that is described in Section 17.2(c) of Attachment K to the OATT.

**Pool-Planned Unit** is one of the following units: New Haven Harbor Unit 1 (Coke Works), Mystic Unit 7, Canal Unit 2, Potter Unit 2, Wyman Unit 4, Stony Brook Units 1, 1A, 1B, 1C, 2A and 2B, Millstone Unit 3, Seabrook Unit 1 and Waters River Unit 2 (to the extent of 7 megawatts of its Summer capability and 12 megawatts of its Winter capability).

**Pool PTF Rate** is the transmission rate determined in accordance with Schedule 8 to the OATT.

**Pool RNS Rate** is the transmission rate determined in accordance with paragraph (2) of Schedule 9 of Section II of the Tariff.

**Pool-Scheduled Resources** are described in Section III.1.10.2 of Market Rule 1.

**Pool Supported PTF** is defined as: (i) PTF first placed in service prior to January 1, 2000; (ii) Generator Interconnection Related Upgrades with respect to Category A and B projects (as defined in Schedule 11), but only to the extent not paid for by the interconnecting Generator Owner; and (iii) other PTF upgrades,

but only to the extent the costs therefore are determined to be Pool Supported PTF in accordance with Schedule 12.

**Pool Transmission Facility (PTF)** means the transmission facilities owned by PTOs which meet the criteria specified in Section II.49 of the OATT.

**Posting Entity** is any Market Participant or Non-Market Participant Transmission Customer providing financial security under the provisions of the ISO New England Financial Assurance Policy.

**Posture** means an action of the ISO to deviate from the jointly optimized security constrained economic dispatch for Energy and Operating Reserves solution for a Resource produced by the ISO's technical software for the purpose of maintaining sufficient Operating Reserve (both online and off-line) or for the provision of voltage or VAR support.

**Posturing Credits** are the Real-Time Posturing NCPC Credits for Generators (Other Than Limited Energy Resources) Postured for Reliability and the Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability.

**Power Purchaser** is the entity that is purchasing the capacity and/or energy to be transmitted under the OATT.

**Principal** is (i) the sole proprietor of a sole proprietorship; (ii) a general partner of a partnership; (iii) a president, chief executive officer, chief operating officer or chief financial officer (or equivalent position) of an organization; (iv) a manager, managing member or a member vested with the management authority for a limited liability company or limited liability partnership; (v) any person or entity that has the power to exercise a controlling influence over an organization's activities that are subject to regulation by the Federal Energy Regulatory Commission, the Securities and Exchange Commission, the Commodity Futures Trading Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; or (vi) any person or entity that: (a) is the direct owner of 10% or more of any class of an organization's equity securities; or (b) has directly contributed 10% or more of an organization's capital.

**Profiled Load Assets** include all Load Assets that are not directly metered by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP18, and some Load Assets that are measured by OP-18 compliant metering (as currently described in Section IV of OP-18) to which the Host Participant Assigned Meter Reader allocates non-PTF losses.

**Project Sponsor** is an entity seeking to have a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource participate in the Forward Capacity Market, as described in Section III.13.

**Proposed Capacity Offer** is an offer submitted to the Internal Market Monitor for its review pursuant to Section III.A.22.2.3.

**Proportional Impact Method** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, or Section I of Schedule 25 of the OATT.

**Proxy Capacity Offer** is a type of offer used in the Annual Capacity Market.

**Proxy De-List Bid** was a type of bid used in the Forward Capacity Market.

**Provisional Member** is defined in Section I.68A of the Restated NEPOOL Agreement.

**PTO Administrative Committee** is the committee referred to in Section 11.04 of the TOA.

**Public Policy Requirement** is a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (e.g., municipal or county) government.

**Public Policy Transmission Study** is a study conducted by the ISO pursuant to the process set out in Section 4A.3 of Attachment K of the OATT, and consists of two phases: (i) an initial phase to produce a rough estimate of the costs and benefits of concepts that could meet transmission needs driven by public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

**Public Policy Local Transmission Study** is a study conducted by a PTO pursuant to the process set out in Section 1.6 of Attachment K Appendix 1 of the OATT, and consists of two phases: (i) an initial phase to produce an estimate of the costs and benefits of concepts that could meet transmission needs driven by public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

**Public Policy Transmission Upgrade** is an addition and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Public Policy Transmission Upgrade PTF classification specified in the OATT, and has been included in the Regional System Plan and RSP Project List as a Public Policy Transmission Upgrade pursuant to the procedures described in Section 4A of Attachment K of the OATT.

**Publicly Owned Entity** is defined in Section I of the Restated NEPOOL Agreement.

**Qualification Data Submission Deadline** is a date specified in the Capacity Auction Calendar by which a Lead Market Participant seeking to have a resource participate in the Annual Capacity Auction must submit qualification materials pursuant to Section III.15.2.1.1.

**Qualification Data Submission Package** is the package submitted to the ISO by a Lead Market Participant seeking to qualify a resource for the Annual Capacity Auction, Monthly Reconfiguration Auction, or Capacity Supply Obligation Bilateral pursuant to Section III.15.2.1.1.

**Qualification Process Cost Reimbursement Deposit** is described in Section III.13.1.9.3 of Market Rule 1 and shall apply to all resources subject to Section III.15.A of Market Rule 1.

**Qualified Capacity** is the amount of capacity a resource may provide in the summer or winter in a Capacity Commitment Period, as determined prior to the 2028-2029 Capacity Commitment Period in the Forward Capacity Market qualification processes, or, for the 2028-2029 Capacity Commitment Period and all Capacity Commitment Periods thereafter, through the Annual Capacity Market qualification and demonstration processes.

**Qualified Capacity Challenge and Restoration Plan Submission Window** is the period set forth in the Capacity Auction Calendar during which a Lead Market Participant may challenge the ISO-calculated

summer and winter Qualified Capacity values of a Capacity Resource or submit a restoration plan to remedy a significant decrease in a Seasonal Qualified Capacity value of a Capacity Resource.

**Qualified Capacity Challenge and Restoration Plan Submission Deadline** is a date set forth in the Capacity Auction Calendar by which a Lead Market Participant may challenge the ISO-calculated summer and winter Qualified Capacity values of a Capacity Resource or submit a restoration plan to remedy a significant decrease in Qualified Capacity of a Capacity Resource..

**Qualified Generator Reactive Resource(s)** is any generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

**Qualified Non-Generator Reactive Resource(s)** is any non-generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

**Qualified Reactive Resource(s)** is any Qualified Generator Reactive Resource and/or Qualified Non-Generator Reactive Resource that meets the criteria specified in Schedule 2 of the OATT.

**Qualified Transmission Project Sponsor** is defined in Sections 4B.2 and 4B.3 of Attachment K of the OATT.

**Queue Position** has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

**Rapid Response Pricing Asset** is: (i) a Fast Start Generator; (ii) a Flexible DNE Dispatchable Generator; or (iii) a Binary Storage DARD with Offer Data specifying a Minimum Run Time and a Minimum Down Time not exceeding one hour each. A Rapid Response Pricing Asset shall also include a Fast Start Demand Response Resource for which the Market Participant's Offer Data meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; and (ii) Demand Response Resource Notification Time plus Demand Response Resource Start-Up Time does not exceed 30 minutes.

**Rapid Response Pricing Opportunity Cost** is the NCPC Credit described in Section III.F.2.3.10.

**Rated** means a Market Participant that receives a credit rating from one or more of the Rating Agencies, or, if such Market Participant is not rated by one of the Rating Agencies, then a Market Participant that has outstanding unsecured debt rated by one or more of the Rating Agencies.

**Rating Agencies** are Standard and Poor's (S&P), Moody's, and Fitch.

**Rationing Minimum Limit** is the MW quantity below which a Capacity Offer may not be rationed in the Annual Capacity Auction.

**RBA Decision** is a written decision provided by the ISO to a Disputing Party and to the Chair of the NEPOOL Budget and Finance Subcommittee accepting or denying a Requested Billing Adjustment within twenty Business Days of the date the ISO distributes a Notice of RBA, unless some later date is agreed upon by the Disputing Party and the ISO.

**Reactive Capability Audit** is an audit that measures the ability of a Reactive Resource to provide or absorb reactive power to or from the transmission system at a specified real power output or consumption.

**Reactive Resource** is a device that dynamically adjusts reactive power output automatically in Real-Time over a continuous range, taking into account control system response bandwidth, within a specified voltage bandwidth in response to grid voltage changes. These resources operate to maintain a set-point voltage and include, but are not limited to, Generator Assets, Dispatchable Asset Related Demands that are part of an Electric Storage Facility, and dynamic transmission devices.

**Reactive Supply and Voltage Control Service** is the form of Ancillary Service described in Schedule 2 of the OATT.

**Real-Time** is a period in the current Operating Day for which the ISO dispatches Resources for energy and Regulation, designates Resources for Regulation and Operating Reserve and, if necessary, commits additional Resources.

**Real-Time Adjusted Load Obligation** is defined in Section III.3.2.1(b) of Market Rule 1.

**Real-Time Adjusted Load Obligation Deviation** is defined in Section III.3.2.1(d) of Market Rule 1.

**Real-Time Commitment NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Real-Time Congestion Revenue** is defined in Section III.3.2.1(i) of Market Rule 1.

**Real-Time Demand Reduction Obligation** is defined in Section III.3.2.1(c) of Market Rule 1.

**Real-Time Demand Reduction Obligation Deviation** is defined in Section III.3.2.1(e) of Market Rule 1.

**Real-Time Dispatch NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Real-Time Energy Inventory** is a component of the spot payment that a Market Participant may receive through the inventoried energy program, as described in Section III.K.3.2.1 of Market Rule 1.

**Real-Time Energy Market** means the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, and payment for losses for quantity deviations from the Day-Ahead Energy Market in the Operating Day and designation of and payment for provision of Operating Reserve in Real-Time.

**Real-Time Energy Market Deviation Congestion Charge/Credit** is defined in Section III.3.2.1(g) of Market Rule 1.

**Real-Time Energy Market Deviation Energy Charge/Credit** is defined in Section III.3.2.1(g) of Market Rule 1.

**Real-Time Energy Market Deviation Loss Charge/Credit** is defined in Section III.3.2.1(g) of Market Rule 1.

**Real-Time Energy Market NCPC Credits** are the Real-Time Commitment NCPC Credit and the Real-Time Dispatch NCPC Credit.

**Real-Time External Transaction NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Real-Time Generation Obligation** is defined in Section III.3.2.1(b) of Market Rule 1.

**Real-Time Generation Obligation Deviation** is defined in Section III.3.2.1(d) of Market Rule 1.

**Real-Time High Operating Limit** is the maximum output, in MW, of a Generator Asset that could be achieved, consistent with Good Utility Practice, in response to an ISO request for Energy (including pursuant to Section III.13.6.4 or Section III.15.7.4 of Market Rule 1), for each hour of the Operating Day, as reflected in the Generator Asset's Offer Data. This value is based on real-time operating conditions and the physical operating characteristics and operating permits of the facility and must be submitted for all Generator Assets (other than Settlement Only Resources).

**Real-Time Load Obligation** is defined in Section III.3.2.1(b) of Market Rule 1.

**Real-Time Load Obligation Deviation** is defined in Section III.3.2.1(d) of Market Rule 1.

**Real-Time Locational Adjusted Net Interchange** is defined in Section III.3.2.1(b) of Market Rule 1.

**Real-Time Locational Adjusted Net Interchange Deviation** is defined in Section III.3.2.1(d) of Market Rule 1.

**Real-Time Loss Revenue** is defined in Section III.3.2.1(l) of Market Rule 1.

**Real-Time Loss Revenue Charges or Credits** are defined in Section III.3.2.1(m) of Market Rule 1.

**Real-Time NCP Load Obligation** is the maximum hourly value, during a month, of a Market Participant's Real-Time Load Obligation summed over all Locations, excluding exports, in kilowatts.

**Real-Time Offer Change** is a modification to a Supply Offer pursuant to Section III.1.10.9(b).

**Real-Time Posturing NCPC Credit for Generators (Other Than Limited Energy Resources) Postured for Reliability** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Real-Time Prices** means the Locational Marginal Prices resulting from the ISO's dispatch of the New England Markets in the Operating Day.

**Real-Time Reserve Charge** is a Market Participant's share of applicable system and Reserve Zone Real-Time Operating Reserve costs attributable to meeting the Real-Time Operating Reserve requirement as calculated in accordance with Section III.10 of Market Rule 1.

**Real-Time Reserve Clearing Price** is the Real-Time TMSR, TMNSR or TMOR clearing price, as applicable, for the system and each Reserve Zone that is calculated in accordance with Section III.2.7A of Market Rule 1.

**Real-Time Reserve Credit** is a Market Participant's compensation associated with that Market Participant's Resources' Reserve Quantity For Settlement as calculated in accordance with Section III.10 of Market Rule 1.

**Real-Time Reserve Designation** is the amount, in MW, of Operating Reserve designated to a Resource in Real-Time by the ISO as described in Section III.1.7.19 of Market Rule 1.

**Real-Time Reserve Opportunity Cost** is defined in Section III.2.7A(b) of Market Rule 1.

**Real-Time Synchronous Condensing NCPC Credit** is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

**Real-Time System Adjusted Net Interchange** means, for each hour, the sum of Real-Time Locational Adjusted Net Interchange for a Market Participant over all Locations, in kilowatts.

**Receiving Party** is the entity receiving the capacity and/or energy transmitted to Point(s) of Delivery under the OATT.

**Reference Level** is defined in Section III.A.7 of Appendix A of Market Rule 1.

**Regional Benefit Upgrade(s) (RBU)** means a Transmission Upgrade that: (i) is rated 115kV or above; (ii) meets all of the non-voltage criteria for PTF classification specified in the OATT; and (iii) is included in the Regional System Plan as either a Reliability Transmission Upgrade or a System Efficiency Transmission Upgrade identified as needed pursuant to Attachment K of the OATT. The category of RBU shall not include any Transmission Upgrade that has been categorized under any of the other categories specified in Schedule 12 of the OATT (e.g., an Elective Transmission Upgrade shall not also be categorized as an RBU). Any upgrades to transmission facilities rated below 115kV that were PTF prior to January 1, 2004 shall remain classified as PTF and be categorized as an RBU if, and for so long as, such upgrades meet the criteria for PTF specified in the OATT.

**Regional Network Load** is the load that a Network Customer designates for Regional Network Service under Part II.B of the OATT. The Network Customer's Regional Network Load shall include all load designated by the Network Customer (including losses). A Network Customer may elect to designate less than its total load as Regional Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Transmission Customer has elected not to designate a particular load at discrete Points of Delivery as Regional Network Load, the Transmission Customer is responsible for making separate arrangements under Part II.C of the OATT for any Point-To-Point Service that may be necessary for such non-designated load. A Network Customer's Monthly Regional Network Load shall be calculated in accordance with Section II.21.2 of the OATT.

**Regional Network Service (RNS)** is the transmission service over the PTF described in Part II.B of the OATT, including such service which is used with respect to Network Resources or Regional Network Load that is not physically interconnected with the PTF.

**Regional Planning Dispute Resolution Process** is described in Section 12 of Attachment K to the OATT.

**Regional System Plan (RSP)** is the plan developed under the process specified in Attachment K of the OATT.

**Regional Transmission Service (RTS)** is Regional Network Service and Through or Out Service as provided over the PTF in accordance with Section II.B, Section II.C, Schedule 8 and Schedule 9 of the OATT.

**Regulation** is the capability of a specific Resource with appropriate telecommunications, control and response capability to respond to an AGC SetPoint.

**Regulation and Frequency Response Service** is the form of Ancillary Service described in Schedule 3 of the OATT. The capability of performing Regulation and Frequency Response Service is referred to as automatic generation control (AGC).

**Regulation Capacity** is the lesser of five times the Automatic Response Rate and one-half of the difference between the Regulation High Limit and the Regulation Low Limit of a Resource capable of providing Regulation.

**Regulation Capacity Requirement** is the amount of Regulation Capacity required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

**Regulation Capacity Offer** is an offer by a Market Participant to provide Regulation Capacity.

**Regulation High Limit** is an offer parameter that establishes the upper bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

**Regulation Low Limit** is an offer parameter that establishes the lower bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

**Regulation Market** is the market described in Section III.14 of Market Rule 1.

**Regulation Resources** are those Alternative Technology Regulation Resources and Generator Assets that satisfy the requirements of Section III.14.2. Regulation Resources are eligible to participate in the Regulation Market.

**Regulation Service** is the change in output or consumption made in response to changing AGC SetPoints.

**Regulation Service Requirement** is the estimated amount of Regulation Service required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

**Regulation Service Offer** is an offer by a Market Participant to provide Regulation Service.

**Related Person** is defined pursuant to Section 1.1 of the Participants Agreement.

**Related Transaction** is defined in Section III.1.4.3 of Market Rule 1.

**Reliability Administration Service (RAS)** is the service provided by the ISO, as described in Schedule 3 of Section IV.A of the Tariff, in order to administer the Reliability Markets and provide other reliability-related and informational functions.

**Reliability Committee** is the committee whose responsibilities are specified in Section 8.2.3 of the Participants Agreement.

**Reliability Markets** are, collectively, the ISO's administration of Regulation, the Forward Capacity Market, the Annual Capacity Market, and Operating Reserve.

**Reliability Region** means any one of the regions identified on the ISO's website. Reliability Regions are intended to reflect the operating characteristics of, and the major transmission constraints on, the New England Transmission System.

**Reliability Transmission Upgrade** means those additions and upgrades not required by the interconnection of a generator that are nonetheless necessary to ensure the continued reliability of the

New England Transmission System, taking into account load growth and known resource changes, and include those upgrades necessary to provide acceptable stability response, short circuit capability and system voltage levels, and those facilities required to provide adequate thermal capability and local voltage levels that cannot otherwise be achieved with reasonable assumptions for certain amounts of generation being unavailable (due to maintenance or forced outages) for purposes of long-term planning studies. Good Utility Practice, applicable reliability principles, guidelines, criteria, rules, procedures and standards of ERO and NPCC and any of their successors, applicable publicly available local reliability criteria, and the ISO System Rules, as they may be amended from time to time, will be used to define the system facilities required to maintain reliability in evaluating proposed Reliability Transmission Upgrades. A Reliability Transmission Upgrade may provide system efficiency benefits as well as reliability benefits to the New England Transmission System.

**Remittance Advice** is an issuance from the ISO for the net Payment owed to a Covered Entity where a Covered Entity's total Payments exceed its total Charges in a billing period.

**Remittance Advice Date** is the day on which the ISO issues a Remittance Advice.

**Renewable Technology Resource** is a Generating Capacity Resource or an On-Peak Demand Resource that satisfies the requirements specified in Section III.13.1.1.1.7.

**Re-Offer Period** is the period that normally occurs between the posting of the of the Day-Ahead Energy Market results and 2:00 p.m. on the day before the Operating Day during which a Market Participant may submit revised Supply Offers, revised External Transactions, or revised Demand Bids associated with Dispatchable Asset Related Demands or, revised Demand Reduction Offers associated with Demand Response Resources.

**Replacement Reserve** is described in Part III, Section VII of ISO New England Operating Procedure No. 8.

**Request for Alternative Proposals (RFAP)** is the request described in Attachment K of the OATT.

**Requested Billing Adjustment (RBA)** is defined in Section 6.1 of the ISO New England Billing Policy.

**Required Balance** is an amount as defined in Section 5.3 of the Billing Policy.

**Reseller** is a MGTSA holder that sells, assigns or transfers its rights under its MGTSA, as described in Section II.45.1(a) of the OATT.

**Reserve Adequacy Analysis** is the analysis performed by the ISO to determine if adequate Resources are committed to meet forecasted load, Operating Reserve, and security constraint requirements for the current and next Operating Day.

**Reserve Constraint Penalty Factors (RCPFs)** are rates, in \$/MWh, that are used within the Real-Time dispatch and pricing algorithm to reflect the value of Operating Reserve shortages and are defined in Section III.2.7A(c) of Market Rule 1, and that are used within the Day-Ahead Market security-constrained economic commitment and dispatch process to reflect the value of Day-Ahead Flexible Response Services shortages and defined in Section III.2.6.2(c) of Market Rule 1.

**Reserve Quantity For Settlement** is defined in Section III.10.1 of Market Rule 1.

**Reserve Zone** is defined in Section III.2.7 of Market Rule 1.

**Reserved Capacity** is the maximum amount of capacity and energy that is committed to the Transmission Customer for transmission over the New England Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II.C or Schedule 18, 20 or 21 of the OATT, as applicable. Reserved Capacity shall be expressed in terms of whole kilowatts on a sixty-minute interval (commencing on the clock hour) basis, or, in the case of Reserved Capacity for Local Point-to-Point Service, in terms of whole megawatts on a sixty-minute interval basis.

**Resource** means a Generator Asset, a Dispatchable Asset Related Demand, an External Resource, an External Transaction, a Demand Response Resource, a Settlement Only Distributed Energy Resource Aggregation, or a Demand Response Distributed Energy Resource Aggregation.

**Resource Adequacy Assessment Qualified Capacity** is the amount of summer and winter Qualified Capacity determined pursuant to Section III.15.3 of Market Rule 1 for all Capacity Resources identified

in Section III.12.7.2(a) of Market Rule 1, at the start of the Resource Adequacy Assessment process that begins in June of the year preceding the relevant Capacity Commitment Period.

**Restated New England Power Pool Agreement (RNA)** is the Second Restated New England Power Pool Agreement, which restated for a second time by an amendment dated as of August 16, 2004 the New England Power Pool Agreement dated September 1, 1971, as the same may be amended and restated from time to time, governing the relationship among the NEPOOL members.

**Rest-of-Pool Capacity Zone** is a single Capacity Zone made up of the adjacent Load Zones that are neither export-constrained nor import-constrained.

**Rest of System** is an area established under Section III.2.7(d) of Market Rule 1.

**Retail Delivery Point** is the point on the transmission or distribution system at which the load of an end-use facility, which is metered and assigned a unique account number by the Host Participant, is measured to determine the amount of energy delivered to the facility from the transmission and distribution system. If an end-use facility is connected to the transmission or distribution system at more than one location, the Retail Delivery Point shall consist of the metered load at each connection point, summed to measure the net energy delivered to the facility in each interval.

**Retirement De-List Bid** is a bid in the Forward Capacity Market to retire an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource from all New England Markets, as described in Section III.13.1.2.3.1.5.

**Returning Market Participant** is a Market Participant, other than an FTR-Only Customer or a Governance Only Member, whose previous membership as a Market Participant was involuntarily terminated due to a Financial Assurance Default or a payment default and, since returning, has been a Market Participant for less than six consecutive months.

**Revenue Requirement** is defined in Section IV.A.2.1 of the Tariff.

**Reviewable Action** is defined in Section III.D.1.1 of Appendix D of Market Rule 1.

**Reviewable Determination** is defined in Section 12.4(a) of Attachment K to the OATT.

**Round-Trip Efficiency** is a percentage expressing the megawatt-hours of energy that an Electric Storage Facility injects onto the grid per megawatt-hour of energy it receives from the grid.

**RSP Project List** is defined in Section 1 of Attachment K to the OATT.

**RTEP02 Upgrade(s)** means a Transmission Upgrade that was included in the annual NEPOOL Transmission Plan (also known as the “Regional Transmission Expansion Plan” or “RTEP”) for the year 2002, as approved by ISO New England Inc.’s Board of Directors, or the functional equivalent of such Transmission Upgrade, as determined by ISO New England Inc. The RTEP02 Upgrades are listed in Schedule 12B of the OATT.

**RTO** is a regional transmission organization or comparable independent transmission organization that complies with Order No. 2000 and the Commission’s corresponding regulation.

**Same Reserve Zone Export Transaction** is defined in Section III.1.10.7(f)(iii) of Market Rule 1.

**Schedule, Schedules, Schedule 1, 2, 3, 4 and 5** are references to the individual or collective schedules to Section IV.A. of the Tariff.

**Schedule 20 Service Provider (SSP)** references Schedule 20A Service Providers and/or Schedule 20B Service Provider.

**Schedule 20A Service Provider** is defined in Schedule 20A to Section II of this Tariff.

**Schedule 20B Service Provider** refers to NECEC as defined in Schedule 20B to Section II of this Tariff.

**Scheduling Service**, for purposes of Section IV.A and Section IV.B of the Tariff, is the service described in Schedule 1 to Section IV.A of the Tariff.

**Scheduling, System Control and Dispatch Service**, for purposes of Section II of the Tariff, is the form of Ancillary Service described in Schedule 1 of the OATT.

**Seasonal Claimed Capability** is the summer or winter claimed capability of a Generator Asset or Generating Capacity Resource, and represents the maximum dependable load carrying ability of the asset or resource, excluding capacity required for station use.

**Seasonal Claimed Capability Audit** is the Generator Asset audit performed pursuant to Section III.1.5.1.3.

**Seasonal DR Audit** is the Demand Response Resource audit performed pursuant to Section III.1.5.1.3.1.

**Seasonal Peak Demand Capacity Resource** is a type of Demand Capacity Resource and shall mean installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource Seasonal Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

**Seasonal Qualified Capacity Notification Date** is a date described in the Capacity Auction Calendar by which the ISO shall notify Market Participants of their Seasonal Qualified Capacity for the upcoming Capacity Commitment Period.

**Seasonal Qualified Capacity Values** are the summer and winter Qualified Capacity calculated by the ISO pursuant to Section 15.2.7.

**Section III.1.4 Transactions** are defined in Section III.1.4.2 of Market Rule 1.

**Section III.1.4 Conforming Transactions** are defined in Section III.1.4.2 of Market Rule 1.

**Security Agreement** is Attachment 1 to the ISO New England Financial Assurance Policy.

**Selected Qualified Transmission Project Sponsor** is the Qualified Transmission Project Sponsor that proposed the Phase Two Solution, Stage Two Solution, Longer-Term Proposal, or System Efficiency

Transmission Upgrade Proposal that has been identified by the ISO as the preferred Phase Two Solution, Stage Two Solution, Longer-Term Transmission Solution, or System Efficiency Transmission Upgrade Solution.

**Selected Qualified Transmission Project Sponsor Agreement** is the agreement between the ISO and a Selected Qualified Transmission Project Sponsor. The Selected Qualified Transmission Project Sponsor Agreement is provided in Attachment P to the OATT.

**Self-Schedule** is the action of a Market Participant in committing its Generator Asset or DARD, in accordance with applicable ISO New England Manuals, to provide service in an hour, whether or not in the absence of that action the Generator Asset or DARD would have been committed by the ISO to provide the service. For a Generator Asset, Self-Schedule is the action of a Market Participant in committing a Generator Asset to provide Energy in an hour at its Economic Minimum Limit, whether or not in the absence of that action the Generator Asset would have been committed by the ISO to provide the Energy. For a DARD, Self-Schedule is the action of a Market Participant in committing a DARD to consume Energy in an hour at its Minimum Consumption Limit, whether or not in the absence of that action the DARD would have been committed by the ISO to consume Energy. For an External Transaction in the Day-Ahead Energy Market, a Self-Schedule is a request by a Market Participant for the ISO to select the External Transaction subject to the conditions specified in Section III.1.10.1A(b)(iii) and (iv). For an External Transaction in the Real-Time Energy Market, a Self-Schedule is a request by a Market Participant for the ISO to select the External Transaction regardless of LMP. Demand Response Resources are not permitted to Self-Schedule.

**Self-Supplied FCA Resource** is described in Section III.13.1.6 of Market Rule 1.

**Self-Supplied Capacity Resource** is described in Section III.15.2.9.1 of Market Rule 1.

**Senior Officer** means an officer of the subject entity with the title of vice president (or similar office) or higher, or another officer designated in writing to the ISO by that officer.

**Service Agreement** is a Transmission Service Agreement or an MPSA.

**Service Commencement Date** is the date service is to begin pursuant to the terms of an executed Service Agreement, or the date service begins in accordance with the sections of the OATT addressing the filing of unexecuted Service Agreements.

**Services** means, collectively, the Scheduling Service, EAS and RAS; individually, a Service.

**Settlement Financial Assurance** is an amount of financial assurance required from a Designated FTR Participant awarded a bid in an FTR Auction. This amount is calculated pursuant to Section VI.C of the ISO New England Financial Assurance Policy.

**Settlement Only Distributed Energy Resource Aggregation (SODERA)** is a type of Distributed Energy Resource Aggregation and is described in additional detail in Section III.6.6.

**Settlement Only Resources** are generators of less than 5 MW of maximum net output when operating at any temperature at or above zero degrees Fahrenheit, that meet the metering, interconnection and other requirements in ISO New England Operating Procedure No. 14 and that have elected Settlement Only Resource treatment as described in the ISO New England Manual for Registration and Performance Auditing.

**Shortfall Funding Arrangement**, as specified in Section 5.1 of the ISO New England Billing Policy, is a separate financing arrangement that can be used to make up any non-congestion related differences between amounts received on Invoices and amounts due for ISO Charges in any bill issued.

**Short-Term** is a period of less than one year.

**Significantly Reduced Congestion Costs** are defined in Section III.G.2.2 of Appendix G to Market Rule 1.

**SMD Effective Date** is March 1, 2003.

**Solar High Limit** is the estimated power output (MW) of a solar Generator Asset given the Real-Time solar and weather conditions, taking into account equipment outages, and absent any self-imposed

reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

**Solar Plant Future Availability** is the forecasted Real-Time High Operating Limit of a solar Generator Asset, calculated in the manner described in the ISO Operating Documents.

**Solutions Study** is described in Section 4.2(b) of Attachment K to the OATT.

**Special Constraint Resource (SCR)** is a Resource that provides Special Constraint Resource Service under Schedule 19 of the OATT.

**Special Constraint Resource Service** is the form of Ancillary Service described in Schedule 19 of the OATT.

**Specified-Term Blackstart Capital Payment** is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

**Sponsored Policy Resource** is a resource, each asset of which: receives a revenue source, other than revenues from ISO-administered markets, that is supported by a government-regulated rate, charge, or other regulated cost recovery mechanism, and; qualifies as a renewable, clean, zero carbon, or alternative energy asset under a renewable energy portfolio standard, clean energy standard, decarbonization or net-zero carbon standard, alternative energy portfolio standard, renewable energy goal, clean energy goal, or decarbonization or net-zero carbon goal enacted by federal or New England state statute, regulation, or executive or administrative order and as a result of which the asset receives the revenue source.

**Stage One Proposal** is a first round submission, as defined in Section 4A.6 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

**Stage Two Solution** is a second round submission, as defined in Section 4A.8 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

**Stakeholder-Requested Scenario** is an Economic Study reference scenario that is described in Section 17.2(d) of Attachment K to the OATT.

**Standard Blackstart Capital Payment** is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

**Start-of-Round Price** is the highest price associated with a round of a Forward Capacity Auction as described in Section III.13.2.3.1 of Market Rule 1.

**Start-Up Fee** is the amount, in dollars, that must be paid for a Generator Asset to Market Participants with an Ownership Share in the Generator Asset each time the Generator Asset is scheduled in the New England Markets to start-up.

**Start-Up Time** is the time it takes the Generator Asset, after synchronizing to the system, to reach its Economic Minimum Limit and, for dispatchable Generator Assets, be ready for further dispatch by the ISO.

**State Estimator** means the computer model of power flows specified in Section III.2.3 of Market Rule 1.

**State of Charge** is the total quantity of megawatt-hours available to be injected by an Electric Storage Facility onto the grid.

**State-identified Requirement** refers to a legal requirement, mandate or policy of a New England state or local government that forms the basis for a Longer-Term Transmission Study request submitted to the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT.

**Statements**, for the purpose of the ISO New England Billing Policy, refer to both Invoices and Remittance Advices.

**Static De-List Bid** is a bid submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource in the Forward Capacity Auction to remove itself from the capacity market for a one year period, as described in Section III.13.1.2.3.1.1 of Market Rule 1.

**Station** is one or more Generating Capacity Resources consisting of one or more assets located within a common property boundary.

**Station Going Forward Common Costs** are the net costs associated with a Station that are avoided only if none of the Generating Capacity Resources composing the Station acquire a Capacity Supply Obligation for the Capacity Commitment Period, or by deactivating all Generating Capacity Resources composing the Station.

**Station-level Blackstart O&M Payment** is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

**Station-level Specified-Term Blackstart Capital Payment** is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

**Station-level Standard Blackstart Capital Payment** is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

**Storage DARD** is a DARD that participates in the New England Markets as part of an Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

**Substation Network Upgrades** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**Summer ARA Qualified Capacity** is described in Section III.13.4.2.1.2.1.1.1 of Market Rule 1.

**Summer Capability Period** means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Summer Capability Period is the period of June 1 through September 30.

**Summer Intermittent Reliability Hours** are defined in Section III.13.1.2.2.2.1(c) or Section III.15.3.2.1(b) of Market Rule 1.

**Supply Offer** is a proposal to furnish energy at a Node or Regulation from a Resource that meets the applicable requirements set forth in the ISO New England Manuals submitted to the ISO by a Market Participant with authority to submit a Supply Offer for the Resource. The Supply Offer will be submitted pursuant to Market Rule 1 and applicable ISO New England Manuals, and include a price and information with respect to the quantity proposed to be furnished, technical parameters for the Resource, timing and other matters. A Supply Offer is a subset of the information required in a Market Participant's Offer Data.

**Supply Offer Block-Hours** are Block-Hours assigned to the Lead Market Participant for each Supply Offer. Blocks of the Supply Offer in effect for each hour will be totaled to determine the quantity of Supply Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of "unavailable" for the entire day, that day will not contribute to the quantity of Supply Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Supply Offer Block-Hours.

**Synchronous Condenser** is a generator that is synchronized to the grid but supplying no energy for the purpose of providing Operating Reserve or VAR or voltage support.

**System Condition** is a specified condition on the New England Transmission System or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm MTF or OTF Service on the MTF or the OTF using the curtailment priority pursuant to Section II.44 of the Tariff or Curtailment of Local Long-Term Firm Point-to-Point Transmission Service on the non-PTF using the curtailment priority pursuant to Schedule 21 of the Tariff. Such conditions must be identified in the Transmission Customer's Service Agreement.

**System Efficiency Needs Assessment** is defined in Section 17.9 of Attachment K to the OATT.

**System Efficiency Needs Scenario** is an Economic Study reference scenario that is described in Section 17.2(b) of Attachment K to the OATT.

**System Efficiency Transmission Upgrade** is defined as those additions and upgrades that are not related to the interconnection of a generator, and, in the ISO's determination, are designed to reduce bulk power system costs to load system-wide, where financial benefits they provide exceed the cost of the transmission addition or upgrade.

**System Efficiency Transmission Upgrade Proposal** is a proposal submitted by a Qualified Transmission Project Sponsor pursuant to Section 17.12 of Attachment K to the OATT

**System Efficiency Transmission Upgrade Solution** is the System Efficiency Transmission Upgrade Proposal identified as the preferred solution pursuant to Section 17.12 of Attachment K to the OATT.

**System Impact Study** is an assessment pursuant to Part II.B, II.C, II.G, Schedule 21, Schedule 22, Schedule 23, or Schedule 25 of the OATT of (i) the adequacy of the PTF or Non-PTF to accommodate a request for the interconnection of a new or materially changed generating unit or a new or materially changed interconnection to another Control Area or new Regional Network Service or new Local Service or an Elective Transmission Upgrade, and (ii) whether any additional costs may be required to be incurred in order to provide the interconnection or transmission service.

**System Network Upgrades** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**System Operator** shall mean ISO New England Inc. or a successor organization.

**System Operating Limit (SOL)** has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

**System-Wide Capacity Demand Curve** is the demand curve used in the Capacity Market as specified in Section III.13.2.2 or Section III.15.1.1.1.

**TADO** is the total amount due and owing (not including any amounts due under Section 14.1 of the RNA) at such time to the ISO, NEPOOL, the PTOs, the Market Participants and the Non-Market Participant Transmission Customers, by all PTOs, Market Participants and Non-Market Participant Transmission Customers.

**Tangible Net Worth** is the value, determined in accordance with international accounting standards or generally accepted accounting principles in the United States, of all of that entity's assets less the following: (i) assets the ISO reasonably believes to be restricted or potentially unavailable to settle a claim in the event of a default (e.g., regulatory assets, restricted assets, and Affiliate assets), net of any matching liabilities, to the extent that the result of that netting is a positive value; (ii) derivative assets, net of any matching liabilities, to the extent that the result of that netting is a positive value; (iii) the amount at which the liabilities of the entity would be shown on a balance sheet in accordance with international accounting standards or generally accepted accounting principles in the United States; (iv) preferred stock; (v) non-controlling interest; and (vi) all of that entity's intangible assets (e.g., patents, trademarks, franchises, intellectual property, goodwill and any other assets not having a physical existence), in each case as shown on the most recent financial statements provided by such entity to the ISO.

**Technical Committee** is defined in Section 8.2 of the Participants Agreement.

**Ten-Minute Non-Spinning Reserve (TMNSR)** is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

**Ten-Minute Non-Spinning Reserve Service** is the form of Ancillary Service described in Schedule 6 of the OATT.

**Ten-Minute Reserve Requirement** is the combined amount of TMSR and TMNSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

**Ten-Minute Spinning Reserve (TMSR)** is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

**Ten-Minute Spinning Reserve Requirement** is the amount of TMSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

**Ten-Minute Spinning Reserve Service** is the form of Ancillary Service described in Schedule 5 of the OATT.

**Third-Party Sale** is any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Regional Network Load or Local Network Load under the Regional Network Service or Local Network Service, as applicable.

**Thirty-Minute Operating Reserve (TMOR)** is a form of thirty-minute reserve capability, determined pursuant to Section III.1.7.19.2.

**Thirty-Minute Operating Reserve Service** is the form of Ancillary Service described in Schedule 7 of the OATT.

**Through or Out Rate (TOUT Rate)** is the rate per hour for Through or Out Service, as defined in Section II.25.2 of the OATT.

**Through or Out Service (TOUT Service)** means Point-To-Point Service over the PTF provided by the ISO with respect to a transaction that goes through the New England Control Area, as, for example, a single transaction where energy or capacity is transmitted into the New England Control Area from New Brunswick and subsequently out of the New England Control Area to New York, or a single transaction where energy or capacity is transmitted into the New England Control Area from New York through one point on the PTF and subsequently flows over the PTF prior to passing out of the New England Control Area to New York, or with respect to a transaction which originates at a point on the PTF and flows over the PTF prior to passing out of the New England Control Area, as, for example, from Boston to New York.

**Tie-Line Asset** is a physical transmission tie-line, or an inter-state or intra-state border arrangement created according to the ISO New England Manuals and registered in accordance with the Asset Registration Process.

**Total Available Amount** is the sum of the available amount of the Shortfall Funding Arrangement and the balance in the Payment Default Shortfall Fund.

**Total Blackstart Capital Payment** is the annual compensation calculated under either Section 5.1 or Section 5.2 of Schedule 16 of the OATT, as applicable.

**Total Blackstart Service Payments** is monthly compensation to Blackstart Owners or Market Participants, as applicable, and as calculated pursuant to Section 5.6 of Schedule 16 to the OATT.

**Total Reserve Requirement**, which includes Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

**Total System Capacity** is the aggregate capacity supply curve for the New England Control Area as determined in accordance with Section III.13.2.3.3 of Market Rule 1.

**Transaction Unit (TU)** is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers.

**Transition Period:** The six-year period commencing on March 1, 1997.

**Transmission Charges**, for the purposes of the ISO New England Financial Assurance Policy and the ISO New England Billing Policy, are all charges and payments under Schedules 1, 8 and 9 of the OATT.

**Transmission Congestion Credit** means the allocated share of total Transmission Congestion Revenue credited to each holder of Financial Transmission Rights, calculated and allocated as specified in Section III.5.2 of Market Rule 1.

**Transmission Congestion Revenue** is defined in Section III.5.2.5(a) of Market Rule 1.

**Transmission Constraint Penalty Factors** are described in Section III.1.7.5 of Market Rule 1.

**Transmission Credit Limit** is a credit limit, not to be used to meet FTR Requirements, established for each Market Participant in accordance with Section II.D and each Non-Market Participant Transmission Customer in accordance with Section V.B.2 of the ISO New England Financial Assurance Policy.

**Transmission Credit Test Percentage** is calculated in accordance with Section III.B.1(c) of the ISO New England Financial Assurance Policy.

**Transmission Customer** is any Eligible Customer that (i) executes, on its own behalf or through its Designated Agent, an MPSA or TSA, or (ii) requests in writing, on its own behalf or through its Designated Agent, that the ISO, the Transmission Owner, or the Schedule 20 Service Provider, as applicable, file with the Commission, a proposed unexecuted MPSA or TSA containing terms and conditions deemed appropriate by the ISO (in consultation with the applicable PTO, OTO or Schedule 20 Service Provider) in order that the Eligible Customer may receive transmission service under Section II of this Tariff. A Transmission Customer under Section II of this Tariff includes a Market Participant or a Non-Market Participant taking Regional Network Service, Through or Out Service, MTF Service, OTF Service, Ancillary Services, or Local Service.

**Transmission Default Amount** is all or any part of any amount of Transmission Charges due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due.

**Transmission Default Period** is defined in Section 3.4.f of the ISO New England Billing Policy.

**Transmission Late Payment Account** is defined in Section 4.2 of the ISO New England Billing Policy.

**Transmission Late Payment Account Limit** is defined in Section 4.2 of the ISO New England Billing Policy.

**Transmission Late Payment Charge** is defined in Section 4.1 of the ISO New England Billing Policy.

**Transmission, Markets and Services Tariff (Tariff)** is the ISO New England Inc. Transmission, Markets and Services Tariff, as amended from time to time.

**Transmission Obligations** are determined in accordance with Section III.A(vi) of the ISO New England Financial Assurance Policy.

**Transmission Operating Agreement (TOA)** is the Transmission Operating Agreement between and among the ISO and the PTOs, as amended and restated from time to time.

**Transmission Owner** means a PTO, MTO or OTO.

**Transmission Provider** is the ISO for Regional Network Service and Through or Out Service as provided under Section II.B and II.C of the OATT; Cross-Sound Cable, LLC for Merchant Transmission Service as provided under Schedule 18 of the OATT; the Schedule 20A Service Providers for Phase I/II HVDC-TF Service as provided under Schedule 20A of the OATT; the Schedule 20B Service Provider for NECEC Transmission Line Transmission Service as provided under Schedule 20B of the OATT; and the Participating Transmission Owners for Local Service as provided under Schedule 21 of the OATT.

**Transmission Requirements** are determined in accordance with Section III.A(iii) of the ISO New England Financial Assurance Policy.

**Transmission Security Analysis Requirement** shall be determined pursuant to Section III.12.2.1.2.

**Transmission Service Agreement (TSA)** is the initial agreement and any amendments or supplements thereto: (A) in the form specified in either Attachment A or B to the OATT, entered into by the Transmission Customer and the ISO for Regional Network Service or Through or Out Service; (B) entered into by the Transmission Customer with the ISO and PTO in the form specified in Attachment A to Schedule 21 of the OATT; (C) entered into by the Transmission Customer with an OTO or Schedule 20 Service Provider in the appropriate form specified under Schedule 20 of the OATT; or (D) entered into by the Transmission Customer with a MTO in the appropriate form specified under Schedule 18 of the OATT. A Transmission Service Agreement shall be required for Local Service, MTF Service and OTF Service, and shall be required for Regional Network Service and Through or Out Service if the Transmission Customer has not executed a MPSA.

**Transmission Upgrade(s)** means an upgrade, modification or addition to the PTF that becomes subject to the terms and conditions of the OATT governing rates and service on the PTF on or after January 1, 2004. This categorization and cost allocation of Transmission Upgrades shall be as provided for in Schedule 12 of the OATT.

**Transitional Cluster Study** has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

**Transitional CNR Group Study** has the meaning specified in Section I of Schedule 22, Section I of 23, and Section I of 25 of the OATT.

**UDS** is unit dispatch system software.

**Unconstrained Export Transaction** is defined in Section III.1.10.7(f)(iv) of Market Rule 1.

**Uncovered Default Amount** is defined in Section 3.3(i) of the ISO New England Billing Policy.

**Uncovered Transmission Default Amounts** are defined in Section 3.4.f of the ISO New England Billing Policy.

**Unrated** means a Market Participant that is not a Rated Market Participant.

**Unsecured Covered Entity** is, collectively, an Unsecured Municipal Market Participant and an Unsecured Non-Municipal Covered Entity.

**Unsecured Municipal Default Amount** is defined in Section 3.3(i) of the ISO New England Billing Policy.

**Unsecured Municipal Market Participant** is defined in Section 3.3(h) of the ISO New England Billing Policy.

**Unsecured Municipal Transmission Default Amount** is defined in Section 3.4.f of the ISO New England Billing Policy.

**Unsecured Non-Municipal Covered Entity** is a Covered Entity that is not a Municipal Market Participant or a Non-Market Participant Transmission Customer and has a Market Credit Limit or Transmission Credit Limit of greater than \$0 under the ISO New England Financial Assurance Policy.

**Unsecured Non-Municipal Default Amount** is defined in Section 3.3(i) of the ISO New England Billing Policy.

**Unsecured Non-Municipal Transmission Default Amount** is defined in Section 3.3(i) of the ISO New England Billing Policy.

**Unsecured Transmission Default Amounts** are, collectively, the Unsecured Municipal Transmission Default Amount and the Unsecured Non-Municipal Transmission Default Amount.

**Unsettled FTR Financial Assurance** is an amount of financial assurance required from a Designated FTR Participant as calculated pursuant to Section VI.B of the ISO New England Financial Assurance Policy.

**Updated Measurement and Verification Plan** is an optional Measurement and Verification Plan that may be submitted as part of a subsequent qualification process for a Forward Capacity Auction prior to the beginning of the Capacity Commitment Period of the On-Peak Demand Resource or Seasonal Peak Demand Response project. The Updated Measurement and Verification Plan may include updated project specifications, measurement and verification protocols, and performance data as described in Section III.13.1.4.3.1.2 of Market Rule 1, and the ISO New England Manuals.

**VAR CC Rate** is the CC rate paid to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

**VAR Payment** is the payment made to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

**VAR Service** is the provision of reactive power voltage support to the New England Transmission System by a Qualified Reactive Resource or by other generators that are dispatched by the ISO to provide dynamic reactive power as described in Schedule 2 of the OATT.

**Virtual Cap** is \$2,000/MWh.

**Virtual Requirements** are determined in accordance with Section III.A(iv) of the ISO New England Financial Assurance Policy.

**Volt Ampere Reactive (VAR)** is a measurement of reactive power.

**Volumetric Measure (VM)** is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers under Section IV.A of the Tariff.

**Wind High Limit** is the estimated power output (MW) of a wind Generator Asset given the Real-Time weather conditions, taking into account equipment outages, and absent any self-imposed reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

**Wind Plant Future Availability** is the forecasted Real-Time High Operating Limit of a wind Generator Asset, calculated in the manner described in the ISO Operating Documents.

**Winter ARA Qualified Capacity** is described in Section III.13.4.2.1.2.1.1.2 of Market Rule 1.

**Winter Capability Period** means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Winter Capability Period is the period October 1 through May 31.

**Winter Intermittent Reliability Hours** are defined in Section III.13.1.2.2.2.2(c) or Section III.15.3.2.2(b) of Market Rule 1.

**Year** means a period of 365 or 366 days, whichever is appropriate, commencing on, or on the anniversary of March 1, 1997. Year One is the Year commencing on March 1, 1997, and Years Two and higher follow it in sequence.

**Zonal Price** is calculated in accordance with Section III.2.7 of Market Rule 1.

**Zonal Capacity Obligation** is calculated in accordance with Section III.13.7.5.2 and Section III.15.8.5.2 of Market Rule 1.

**Zonal Reserve Requirement** is the combined amount of TMSR, TMNSR, and TMOR required for a Reserve Zone as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

### **I.3 Obligations of Market Participants and Other Customers**

The ISO acts as Counterparty for sales to its Customers of Regional Transmission Service, and for agreements and transactions with its Customers, including but not limited to assignments involving Customers, and agreements and transactions with Customers involving sale to the ISO and/or purchase from the ISO of energy, capacity, reserves, regulation, Ancillary Services, FTRs and involving other products, service and transactions, all as specified in Sections II and III of the Tariff (collectively, the “Products”).

To the extent permitted by applicable law, any warranties provided by the sellers or assignors to the ISO of the Products which cover the Products, whether express or implied, are hereby passed to the Customers on a “pass through basis” and to the extent not passed through, any such warranties are hereby assigned by ISO to Customers. Sellers and assignors to the ISO and Customers acknowledge that warranties on such Products are limited to that offered by the seller or assignor to the ISO and will exist, if at all, solely between the seller or assignor to the ISO and the Customer. AS BETWEEN CUSTOMER AND ISO AS COUNTERPARTY, NO EXPRESS OR IMPLIED WARRANTIES ARE MADE BY THE ISO REGARDING THE PRODUCTS SOLD BY THE ISO AS COUNTERPARTY, AND ANY SUCH PRODUCTS ARE PROVIDED ON AN “AS IS” AND “AS AVAILABLE” BASIS. THE ISO MAKES NO WARRANTY OR REPRESENTATION THAT THE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE. THE CUSTOMER HEREBY WAIVES, AND THE ISO HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT. THE ISO DOES NOT WARRANT THAT THE PRODUCTS OFFERED WILL MEET CUSTOMER’S REQUIREMENTS. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY THE ISO OR ANY AUTHORIZED REPRESENTATIVE OF THE ISO SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF ANY PASS THROUGH OR ASSIGNED WARRANTY. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES IN CERTAIN CIRCUMSTANCES, SO THE ABOVE EXCLUSION APPLIES ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW.

#### **I.3.1. Service Agreement:**

Receipt of service under this Tariff requires the execution of a Market Participant Service Agreement in the form specified in Attachment A or Attachment A-1, as applicable, to this Tariff unless the Customer seeks transmission service only and does not participate in the New England Markets (in which case the Customer must execute a Transmission Service Agreement). Receipt of Local Service under Section II of

this Tariff requires the execution of a Transmission Service Agreement in the form specified in Attachment A to Schedule 21 of Section II of this Tariff for Local Service and shall be subject to the requirements of Schedule 21. Receipt of OTF Service under Section II of this Tariff requires the execution of a Transmission Service Agreement in the appropriate form specified under Schedule 20 of Section II of this Tariff and shall be subject to the requirements of Schedule 20.

**I.3.2. Assets:**

Each Market Participant shall, to the fullest extent practicable, cause all of the Assets it owns or operates to be designed, constructed, maintained and operated in accordance with Good Utility Practice and the provisions of this Tariff, the ISO New England Operating Procedures, and the ISO New England Planning Procedures.

**I.3.3. Maintenance and Repair:**

Each Market Participant shall, to the fullest extent practicable: (a) cause Assets owned or operated by it to be withdrawn from operation for maintenance and repair only in accordance with maintenance schedules reported to, and approved and published by the ISO in accordance with the ISO New England Operating Procedures, (b) restore such Assets to good operating condition with reasonable promptness, and (c) in emergency situations, accelerate maintenance and repair at the reasonable request of the ISO in accordance with the ISO New England Planning Procedures.

**I.3.4. Central Dispatch:**

Each Market Participant shall, to the fullest extent practicable, subject each of the Assets it owns or operates to central dispatch by the ISO; provided, however, that each Market Participant shall at all times be the sole judge as to whether or not and to what extent safety requires that at any time any of such facilities will be operated at less than their full capacity.

**I.3.5. Provision of Information:**

The Customers shall provide the ISO with any and all information within their custody or control that the ISO deems necessary to perform its obligations under this Tariff, subject to applicable confidentiality limitations contained in the ISO New England Information Policy. Each Customer shall ensure that the ISO has an accurate list of the Customer's Affiliates. The ISO will compile a list that shall be considered definitive. It will be the Customer's responsibility to regularly review the list and to promptly (and in advance of Affiliate changes, where possible) provide the ISO with additions and/or corrections to the list and, when requested, relevant supporting documentation.

**I.3.6. Records and Information:**

Each Customer shall keep such records as may reasonably be required by the ISO, and shall furnish to the ISO such records, reports and information (including forecasts) as it may reasonably require, provided that confidentiality thereof is protected in accordance with the ISO New England Information Policy.

**I.3.7. Payment of Invoices; Compliance with Policies:**

Each Customer is obligated to pay when due in accordance with this Tariff, the ISO New England Financial Assurance Policy and the ISO New England Billing Policy all amounts invoiced to it pursuant to this Tariff, and to comply with those terms, conditions and policies in all respects. If a Customer fails to meet the requirements specified in the ISO New England Financial Assurance Policy and ISO New England Billing Policy, the ISO may take such actions as are specified in those policies.

**I.3.8. Protective Devices for Transmission Facilities:**

Each Market Participant shall install, maintain and operate such protective equipment and switching, voltage control, load shedding and emergency facilities as the ISO and the applicable Transmission Owner may determine to be required in order to assure continuity of service and the stability of the New England Transmission System.

**I.3.9. Review of Market Participant's Proposed Plans:****I.3.9.1 Submission and Review of Proposed Plan Applications:**

Each Market Participant and Transmission Owner shall submit to the ISO at least sixty (60) days prior to the proposed in service date in such form, manner and detail as the ISO may reasonably prescribe, (i) any new or materially changed plan for additions to or changes to any generating and demand resources or transmission facilities rated 69 kV or above subject to control of such Market Participant or Transmission Owner, and (ii) any new or materially changed plan for any other action to be taken by the Market Participant or Transmission Owner, except for deactivations of, retirements of, or reductions in the capacity of a generating resource or a demand resource, which may have a significant effect on the stability, reliability or operating characteristics of the Transmission Owner's transmission facilities, the transmission facilities of another Transmission Owner, or the system of a Market Participant. In the case of changes to transmission facilities-developed through the Solutions Study process or the competitive solution process, no significant action (other than engineering reasonably necessary to support the Solutions Study or competitive solution process) shall be taken.

Unless the ISO notifies the Market Participant or Transmission Owner in writing within sixty (60) days of the submittal (or ninety (90) days if the ISO determines that it requires additional time), that it has determined that implementation of the plan will have a significant adverse effect upon the reliability or operating characteristics of the Transmission Owner's transmission facilities, the transmission facilities of another Transmission Owner, or the system of a Market Participant, the Market Participant or Transmission Owner shall be free to proceed.

The ISO shall maintain on its website a list of such applications that are currently under review and the status of each such application. The ISO shall provide notice of any action taken with respect to any such applications, including an explanation of its reasons for such action, to each Market Participant or Transmission Owner as soon as reasonably practicable after such action is taken. The time limits provided by this section may be changed with respect to any such submission by agreement between the ISO and the Market Participant or Transmission Owner.

#### **I.3.9.2 Additional Review of Additions of or Changes to Generating Resources:**

Proposals for new generating resources or modifications to existing generating resources are also subject to the terms set out in Schedule 22, the Large Generator Interconnection Procedures and Agreement, and Schedule 23, the Small Generator Interconnection Procedures and Agreement, to Section II of the Tariff.

#### **I.3.9.3 Reliability Review of Deactivations, Retirements, or Reductions in Capacity of a Demand Capacity Resource, Generating Capacity Resource, Distributed Energy Capacity Resource, or External Elective Transmission Upgrade:**

Proposals for the permanent reduction of Capacity Network Resource Capability or Capacity Network Import Capability from a Demand Capacity Resource, a Generating Capacity Resource, a Distributed Energy Capacity Resource, or an External Elective Transmission Upgrade, including unit retirement or deactivation, are reviewed for reliability impact pursuant to the terms set out in Section III.13.2.5.2.5 or Section II.53 of the Tariff. Once a resource or External Elective Transmission Upgrade has a cleared de-list bid or Deactivation Notification accepted pursuant to Section II.I of the Tariff it may permanently reduce its capacity consistent with the terms of its de-list bid or Deactivation Notification without further reliability review. However, any proposed physical modification to a retired or deactivated generating facility must comply with the requirements, including the reliability review process, set out in Schedules 22, 23, or 25 as applicable.

**I.3.10. Market Participant to Avoid Adverse Effect:**

If the ISO notifies a Market Participant pursuant to Section I.3.9.1 that implementation of the Market Participant's or Transmission Owner's plan has been determined to have a significant adverse effect upon the reliability or operating characteristics of the Transmission Owner's transmission facilities, the transmission facilities of another Transmission Owner, or the system of one or more Market Participants, the Market Participant or Transmission Owner shall not proceed to implement such plan unless the Market Participant (or the Non-Market Participant on whose behalf the Market Participant has submitted its plan) or Transmission Owner takes such action or constructs at its expense such facilities as the ISO determines to be reasonably necessary to avoid such adverse effect.

#### **I.4 Termination Of Status As A Customer**

The ISO shall have the right to terminate a Customer for the reasons stated, and in the manner specified, in the ISO New England Financial Assurance Policy and ISO New England Billing Policy.

## **I.5 Force Majeure, Liability and Indemnification; Collection of Import Duties, Tariffs or Taxes**

### **I.5.1. Force Majeure:**

Neither the ISO, a Transmission Owner, a Schedule 20 Service Provider nor a Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure; notwithstanding the foregoing, no event of Force Majeure affecting any entity shall excuse that entity from any payment, charge, penalty, financial consequence or settlement responsibility that it is obligated to make under this Tariff. An entity whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff, and shall promptly notify the ISO, the Transmission Owner, a Schedule 20 Service Provider or the Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

### **I.5.2. Liability:**

The ISO shall not be liable for money damages or other compensation to the Customer for actions or omissions by the ISO in performing its obligations under this Tariff or any Service Agreement thereunder, except to the extent such act or omission by the ISO is found to result from its gross negligence or willful misconduct. A Transmission Owner shall not be liable for money damages or other compensation to the Customer for acts or omissions by such Transmission Owner in performing its obligations under this Tariff or any Service Agreement thereunder, except to the extent such act or omission by such Transmission Owner is found to result from its gross negligence or willful misconduct. A Schedule 20 Service Provider shall not be liable for money damages or other compensation to the Customer for action or omissions by such Schedule 20 Service Provider in performing its obligations under this Tariff or any Service Agreement thereunder, except to the extent such act or omission by such Schedule 20 Service Provider is found to result from its gross negligence or willful misconduct. To the extent the Customer has claims against the ISO, a Transmission Owner or Schedule 20 Service Provider, the Customer may only look to the assets of the ISO, a Transmission Owner or Schedule 20 Service Provider (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of the ISO, a Transmission Owner or Schedule 20 Service Provider or Affiliate who, the Customer acknowledges and agrees, have no personal or other liability for obligations of the ISO, a Transmission Owner or Schedule 20 Service Provider by reason of their status as directors, members, shareholders, officers, employees or agents of the ISO, a Transmission Owner, Schedule 20 Service Provider or Affiliate. In no event shall the ISO, a Transmission Owner, Schedule 20 Service Provider or any Customer be liable for any incidental,

consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Tariff or any Service Agreement thereunder. Notwithstanding the foregoing, nothing in this section shall diminish a Customer's obligations under Section I.5.3 of this Tariff or under Schedules 18, 20 and 21 of the OATT.

### **I.5.3. Indemnification:**

Each Customer shall at all times indemnify, defend, and save harmless the ISO, the Transmission Owners and the Schedule 20 Service Providers and their respective directors, officers, members, employees and agents from its properly allocable share of any and all damages, losses, claims and liabilities by or to third parties arising out of or resulting from the performance by the ISO, Transmission Owners or Schedule 20 Service Providers under this Tariff or any Service Agreement thereunder, any bankruptcy filings made by a Customer, or the actions or omissions of the Customer in connection with this Tariff or any Service Agreement thereunder, except in case of the ISO, gross negligence or willful misconduct by the ISO or its directors, officers, members, employees or agents, and, in the case of a Transmission Owner or Schedule 20 Service Provider, the gross negligence or willful misconduct by such Transmission Owner or Schedule 20 Service Provider or its directors, officers, members, employees or agents. Each Customer shall also reimburse the ISO for any indemnity payments made by the ISO pursuant to an operating agreement filed with the Commission. The ISO shall recover the amounts due from each Customer under this Section I.5.3 through Section IV.A of the Tariff in the same manner as the ISO recovers insurance expense (premium) costs, and each Customer shall be responsible for a share of the amounts due from all Customers under this Section I.5.3 that is proportionate to its responsibility for a share of such total insurance expense (premium) costs. The amount of any indemnity payment or reimbursement of indemnity payment hereunder by a Customer shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified or reimbursed party in respect of the indemnified action, claim, demand, cost, damage or liability or ISO indemnification payment. The obligations of each Customer to indemnify the ISO, Transmission Owners and Schedule 20 Service Providers shall be several, and not joint or joint and several.

### **I.5.4 Collection of Import Duties, Tariffs or Taxes**

#### **I.5.4.1 Collection as Directed by Governmental Agency**

If a federal governmental agency assesses import duties, tariffs or taxes on the ISO related to the import from Canada into the New England Control Area of a product or service sold under this Tariff, the ISO shall pass through and collect such assessed duties, tariffs or taxes in accordance

with any federal regulations or guidance governing the imposition and payment of such duties, tariff or taxes. The ISO shall notify all Market Participants of the issuance of any federal regulations or guidance which would govern the collection of the costs of an import duty, tariff or tax under this Section I.5.4.1.

#### **I.5.4.2 Collection in Absence of Direction from Governmental Agency**

**(i) Temporary Cost Collection Method.** If a federal duty, tariff or tax is assessed on the ISO related to the import from Canada into the New England Control Area of a product or service sold under this Tariff, but no federal regulation or guidance is provided regarding the specific entities or class of entities from which the ISO is to collect such duties, tariffs or taxes, or where such regulation or guidance lacks sufficient clarity for purposes of the ISO's billing and recovery of such import duty costs, then, subject to sub-section (ii) below, the ISO shall collect costs of any import duty, tariff or tax that the ISO is required to pay for a product or service imported from Canada into the United States as follows:

(x) from the Market Participant importing such product or service, based on the amount of the duty, tariff or tax that is attributable to that entity's sales of the subject imported product or service into the ISO-administered markets; except that

(y) duties, tariffs or taxes imposed on Emergency Energy purchases, New Brunswick Security Energy, and Inadvertent Interchange, shall be collected utilizing the cost allocation mechanisms set forth in Sections III.3.2.6, III.3.2.6A and III.3.2.1(p) of the Tariff, respectively.

This temporary cost collection method shall remain in place until the Commission accepts a replacement cost collection method proposed under sub-section (ii) below.

**(ii) Replacement Cost Collection Method.** In the event the ISO employs a temporary cost collection method under sub-section (i) above and the duty, tariff, or tax is expected to continue beyond the initial 120 days, the ISO shall, within 120 days of the ISO's issuance of the first invoice to an importing Market Participant under sub-section (i) above, file with the Commission under Section 205 of the Federal Power Act a proposed cost collection method to replace the temporary cost collection method. Nothing shall prevent the ISO from proposing in the Section

205 filing to continue use of the temporary cost collection method as the replacement cost collection method.

#### **I.5.4.3 Timely Collection of Duty, Import or Tax**

For collection of a duty, import or tax under this Section I.5.4, the ISO shall collect such costs by promptly calculating and issuing invoices to the relevant Market Participant, in such manner as is necessary to ensure such costs are collected in sufficient time for the ISO to pay the import duties, tariffs or taxes when due. Any entity that has an obligation under this Section I.5.4, shall pay to the ISO the amount due within the time specified in the applicable invoice.

## **I.6 Dispute Resolution:**

Any dispute arising under this Tariff shall be the subject of good-faith negotiations among the ISO, the Transmission Owner, the Schedule 20 Service Provider, and a Customer, as applicable, unless otherwise stated in this Tariff, except that disputes concerning Schedules 18, 20 and 21 shall be resolved directly between the Customer and the MTO, OTO, Schedule 20 Service Provider or PTO, as applicable, using the procedures specified below. Each affected party shall designate one or more representatives with the authority to negotiate the matter in dispute to participate in such negotiations. The affected parties shall engage in such good-faith negotiations for a period of not less than sixty (60) calendar days, unless: (a) a party identifies exigent circumstances reasonably requiring expedited resolution of the dispute by the Commission or a court or agency with jurisdiction over the dispute; or (b) the provisions of this Tariff otherwise provide a party the right to submit a dispute directly to the Commission for resolution. Any other dispute that is not resolved through good-faith negotiations may be submitted by any party for resolution to the Commission, to a court or to an agency with jurisdiction over the dispute upon the conclusion of such negotiations. Any party may request that any dispute submitted to the Commission for resolution be subject to the Commission's settlement procedures. Notwithstanding the foregoing, any dispute arising under this Tariff may be submitted to arbitration or any other form of alternative dispute resolution upon the agreement of all affected parties to participate in such an alternative dispute resolution process.

**I.7 Creditworthiness:**

Exhibits IA through ID to Section I of the Tariff provide the ISO's credit review procedures and the types of security that are acceptable to the ISO to protect against the risk of non-payment, and shall be binding upon Customers.

**I.8 Rights Under The Federal Power Act:**

Nothing in this Tariff shall restrict the rights of any party to exercise its rights under relevant provisions of the Federal Power Act.

**I.9 Pre-Existing Contracts:**

To the extent that Customers are parties to pre-existing wholesale power or transmission service contracts effective as of the Operations Date, and further, to the extent that provisions in such pre-existing wholesale power or transmission service contracts make reference to the Restated New England Power Pool Agreement (“RNA”), then such provisions shall remain in effect but the references to the RNA contained therein shall be deemed instead to make reference to the applicable provisions in the agreements and tariffs filed in connection with the establishment of the ISO, as determined pursuant to Attachment C of the Tariff, i.e., the Mapping Document.