Emergency Reserve Operating Procedure

This Procedure made on the first (1st) day of February, 2001,

BETWEEN:

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC, hereinafter called "NYISO",

And

ISO-NEW ENGLAND, INC, hereinafter called "ISO-NE".

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

WHEREAS, either of the Parties may, from time to time, have difficulty in restoring their operating reserve requirements following an unforeseen event which required a Party to use their 10-minute reserve to respond to said unforeseen event.

NOW, THEREFORE, the Parties hereto mutually agree as follows:

ARTICLE I

SERVICE

- 1.1 Pre-contingency, both Parties shall ensure that sufficient resources are committed to meet the reserve requirements prescribed by Northeast Power Coordinating Council (NPCC) Document A-6, Operating Reserve Criteria, without relying on energy available as part of NPCC Document C-12, Shared Activation of Reserves (SAR).
- 1.2 Post-contingency, the Party experiencing the contingency may count the SAR energy available from the other Party towards its operating reserve requirements to temporarily assist in restoration of operating reserves within the time specified by Document A-6.
- 1.3 Post-contingency, the contingent Party shall limit the counting of SAR assistance for meeting its recovery obligation to 300 MWs.

- 1.4 Post-contingency, the contingent Party must meet the reserve requirements and recovery time specified in Document A-6 with the inclusion of the SAR assistance from the other Party stipulated in (3) above.
- 1.5 Post-contingency, the contingent Party may count SAR assistance to meet its A-6 reserve requirements for up to four (4) hours.
- 1.6 Unless the system of the contingent Party is stressed severely as described in Document C-12, the contingent Party shall not use the associated energy available from SAR assistance to meet A-6 reserve requirements after an initial contingency if the size of the initial contingency is less than the reportable event threshold.

ARTICLE 2

- 2.0 BILLING AND PAYMENT
- 2.1 There will be no charges to either party under the terms of this Procedure.

ARTICLE 3

- 3.0 <u>EFFECTIVE DATE AND TERM</u>
- 3.1 This Procedure shall take effect upon the execution hereof by both Parties, and shall continue in force until termination in accordance with paragraph 3.2.
- 3.2 This Procedure may be terminated at any time by mutual agreement in writing. It may also be terminated by either Party with at least thirty days prior written notice to the other Party of its intention to terminate.

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

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
Michael C. Calimano, Vice President, Operations and Reliability
ISO-NEW ENGLAND, INC.
Stephen G. Whitley, Vice President, System Operations