

**Proposed Changes to the ISO Agreement  
Regarding the Membership Fee for  
Demand Response Providers and Distributed Generators**

**Management Committee Meeting  
February 4, 2004**

2.02 Parties to the ISO Agreement

All Incorporating Parties and any person or entity that meets the requirements for participation in any sector or subsector described in Sections 7.04 and 7.06 may become a Party to the ISO Agreement by (i) certifying, to the satisfaction of the ISO Board, that such person or entity satisfies the requirements for participation in the sector (and subsector, if applicable) in which such person or entity wishes to participate and (ii) signing the Agreement. Upon receipt of such certification, the ISO shall notify all Parties of the receipt of the certification and the contents thereof. A Party to this Agreement may participate in the governance of the ISO. There will be a \$5,000 annual fee for each Party, except that: Small Consumers shall be subject to a reasonable fee established by the ISO Board; **Demand Response Providers with 40 MW or less of resources and Distributed Generators with 2 MW or less of resources shall be subject to an annual fee of \$1,000 for the year 2004, an annual fee of \$2,000 for the year 2005, an annual fee of \$3,000 for the year 2006 and an annual fee of \$5,000 for the year 2007 and for every subsequent year thereafter;** and not-for-profit organizations that are Environmental Parties and not-for-profit organizations that represent Small Consumers shall pay a \$100 annual fee. The annual fees for Parties may be revised by the ISO Board with the concurrence of the Management Committee. Non-Market Participants also may become Parties to this Agreement and participate in the governance of the ISO. The ISO Board shall permit the following types of organizations or groups to participate in the governance of the ISO as Non-Market Participants:

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