

Suggestions for the Compliance Filing and Modifications to the ICA

Submitted on Behalf of Edison Mission Marketing & Trading

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With respect to seams issues, the FERC's March 24th order has two purposes: (1) Strengthening the ICA to the degree that it can support an "effective" regional scope for RTO-NE and (2) Crafting a working document that continues to provide guidance for the period beyond the upcoming June 22, 2004 compliance filing date.

The following suggestions for the compliance filing and attendant modifications to the ICA are premised upon this foundation.

1. The Parties will use their existing Committees and hold joint Committee meetings to Jointly Address Resolution of Seams Issues Between New York and New England.
2. Both New York and New England are signatories to the ICA. It follows utilizing the existing committees of their respective governance structures to achieve active participation by ISO staffs, Regulators, and stakeholders with respect to the decision-making necessary to resolve seams issues will result in a process and an outcome that abides by the ISOs' existing rules and procedures.
3. In the first instance, the NYISO's Business Issues Committee ("BIC") and NEPOOL's Markets Committee ("NPMC"), assisted by the ICOs, should establish timeframes for ISO staff and market participants, through a collaborative process, to (i) identify all remaining seams issues; and (ii) assign specific milestones and timelines for the resolution of each such issue; and (iii) upon completion of tasks (i) and (ii), submit recommendations to the Management Committee of the NYISO ("NY MC") and the NEPOOL Participants Committee ("NPC"). The tasks of identifying remaining seams issues and establishing the requisite milestones and timelines must be completed in time for them to be incorporated in the modified ICA that is to be included in RTO-NE's June 22, 2004 compliance filing.
4. Following the submission of RTO-NE's compliance filing, the BIC and the NPMC, again with the assistance of the ICOs, must (i) develop and submit consensus proposals, or alternative proposals, for resolving the remaining seams issues; (ii) review all proposals, culminating in recommendations with respect to specific proposals; and (iii) present those proposals to the NY MC and the NPC, respectively, allowing sufficient time for NY MC and NPC action and the implementation of the seams solutions by the requisite deadline established by the FERC. To facilitate this process, parties should prepare and circulate "straw proposals."

5. Upon receipt of the technical committees' recommendations with respect to specific proposals for resolving seams issues, the NY MC and the NPC shall review and vote upon all consensus and alternative proposals. The Parties shall thereafter, submit approved proposals for the elimination of existing seams issues to the FERC, either jointly or individually. This work must be completed in sufficient time to allow for implementation of such proposals by June 21, 2005, although there may be a need to extend this deadline due to logistical and other technical considerations (*e.g.* if resolution of a particular seams issue requires extended software development). In such instances, it would be expected that both ISOs in consultation with their stakeholders would request an extension from the FERC.
6. This obligation to file proposals with the FERC further advances the FERC's goals that issue resolution progress without delay and within a reasonable timeframe, culminating in adherence to the FERC-imposed deadlines. The Parties must endeavor to assure that the filing of any such proposals will be a joint filing by the Parties' respective governance structures; provided however, in the event the Parties do not agree on specific parts of such a proposal, they shall file their separate positions with the FERC and seek a ruling on any such competing positions.
7. The ISOs' will develop and file appropriate tariff modifications with FERC in sufficient time to allow comments prior to implementation.