

5.13 Installed Capacity Auctions

5.13.1 General Auction Requirements

The ISO will administer Installed Capacity auctions to accommodate LSEs' and Installed Capacity Suppliers' efforts to enter into Unforced Capacity Transactions and to give LSEs an opportunity to satisfy their Unforced Capacity requirements. The ISO shall conduct regular auctions, at the request of an LSE, at the times specified in this Section and the ISO Procedures.

Installed Capacity Suppliers, LSEs and Installed Capacity Marketers that are Customers under this Tariff will be allowed to participate in Installed Capacity auctions, provided that they satisfy the creditworthiness requirements set forth in Attachment K of the ISO OATT. Unforced Capacity purchased in Installed Capacity auctions may not be sold for the purposes of meeting Installed Capacity requirements imposed by operators of External Control Areas. Offers to sell and bids to purchase Unforced Capacity shall be made in \$/kW for the time period appropriate to the auction. The ISO shall impose no limits on Bids or offers in any auction, except to the extent required by any applicable market mitigation measures.

Installed Capacity Suppliers that wish to participate in an ISO-administered auction must submit completed certification forms to the ISO in accordance with the ISO procedures,

identified as such in the next monthly billing invoice. Close-Out Settlements shall not be subject to further challenge by Customers.

7.5 Customer Default

A. An event of default (“Default”) shall occur in the event a Customer (the “Defaulting Party”) shall:

- (i) comply with the ISO’s creditworthiness requirements and receive notice of such failure;
- (ii) make an assignment or any general arrangement for the benefit of creditors;
- (iii) fail to timely make a payment due to the ISO, regardless of whether such payment is in dispute, and receive notice from the ISO of such failure;
- (iv) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a case, petition, proceeding, or cause of action under any bankruptcy or insolvency law or similar law for the protection of debtors or creditors, or have such a petition, case, proceeding or cause of action filed or commenced against it and such case, petition, proceeding or cause of action is not withdrawn or dismissed within thirty (30) days after such filing or commencement;

not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter;

(xiii) cause or subject to any event with respect to which, under the applicable laws of any jurisdiction, said event has an analogous effect to any of the events specified in clauses (iv) to (xii) (inclusive);

(xiv) take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(xv) fail to perform any material covenant set forth in the Tariff or a Service Agreement (other than the events that are otherwise specifically covered in this Section as a separate Event of Default), and such failure is not excused by Force Majeure or cured within five (5) business days after written notice thereof to the Defaulting Party;

B. A Customer shall have two (2) business days to cure a Default resulting from its failure to timely make a payment due to the ISO. A customer shall have three (3) business days to cure a Default resulting from its failure to comply with the ISO's creditworthiness requirements.

C. Upon an event of Default and expiration of any cure period, the ISO shall have the right to suspend and/or terminate the Service Agreement immediately upon notice to the Commission in addition to any and all other remedies available hereunder or pursuant to law or in equity.

D. By entering into Transactions under this Tariff, the Customer agrees that its Service Agreement and Transactions under this Tariff shall constitute a “forward contract” within the meaning of the United States Bankruptcy Code.

E. The ISO shall have the right to apply any amounts owed a Customer pursuant to this Tariff against any amounts owed to the ISO by a Customer.

7.6 Survival

This Article 7 will survive the termination of the ISO Services Tariff and any associated Service Agreement.

ARTICLE 8

ELIGIBILITY FOR ISO SERVICES

In order to participate in any ISO-administered market or to be a Primary Holder of a TCC, a Customer must satisfy the requirements of this Article and Attachment K.

8.1 Requirements Common to all Customers

A. Creditworthiness

All Customers and applicants seeking to become a Customer shall be subject to the creditworthiness requirements contained in Attachment K.

B. Completed Application and Minimum Technical Requirements

A Customer shall submit a Completed Application in accordance with Article 9 and shall receive ISO approval prior to obtaining any services under the ISO Services Tariff.

A Customer also shall demonstrate to the ISO's reasonable satisfaction that it is

and a single Point of Withdrawal; or (b) making purchases from the ISO Administered Markets at a single bus of an amount greater than or equal to one (1) MW in each hour.

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Customer shall respond within 10 days to a request by the ISO to update the list of Affiliates and/or parent company. In addition, a Customer and an applicant seeking to become a Customer shall inform the ISO of any Affiliates that are currently taking service or applying to take service under the Tariffs. The ISO shall treat the information provided in the Application as Confidential Information except to the extent that disclosure of the information is required by the ISO Services Tariff, by regulatory or judicial order or for reliability purposes pursuant to Good Utility Practice. The ISO also shall treat the information in conformity with the standards of conduct contained in Part 37 of the Commission's Regulations and the Code of Conduct set forth in Attachment F to the ISO OATT.

9.3 Approval of Application and/or Notice of Deficient Application

The ISO will promptly review the Application and may request additional information to determine whether the applicant meets the ISO's minimum financial and technical requirements. The ISO will notify the applicant within thirty (30) days of receipt of a Completed Application. If the ISO rejects an Application, the ISO shall provide a written explanation within fourteen (14) days of the rejection. The ISO will attempt to remedy minor deficiencies in the Application through informal communications with the applicant. If such efforts are unsuccessful, the ISO shall return the Application.

9.4 Filing of Service Agreement

The ISO will file Service Agreements with the Commission in compliance with applicable Commission regulations and the ISO Services Tariff.