

ISO-NE PROPOSED REVISIONS TO EXISTING OBJECTIVES

(Contained in: Section 1.3 of the Market Participant Service Agreement and Alternative Market Participant Service Agreement; Section I.1.3 of the Tariff; and Section 2.3 of the Participants Agreement)

APRIL, 2009

~~Objectives~~ **Mission of ISO.** The ~~objectives of ISO are~~ **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 (when 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 system within 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 the 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.

The Parties agree that the preceding objectives ~~are consistent with the Federal Power Act and do not in and of themselves create independent causes of action.~~