



May 14, 2010

**VIA MESSENGER**

The Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

**Re: Informational Filing of Contract between ISO New England Inc. and  
Potomac Economics, Ltd.; Docket No. ER10-\_\_\_\_-000**

Dear Secretary Bose:

ISO New England Inc. (the “ISO”) hereby submits an original and six copies of Amendment No. 1 to its contract with its External Market Monitor, Potomac Economics, Ltd. (the “EMM Contract Amendment”), pursuant to Section 205 of the Federal Power Act (“FPA”), Part 35 of the Rules and Regulations of the Federal Energy Regulatory Commission (the “Commission”), Section III.A.1.2. of the ISO New England Inc. Transmission, Markets and Services Tariff (the “ISO Tariff”)<sup>1</sup>, and Section 9.4.5 of the Participants Agreement among ISO New England Inc. as the Regional Transmission Organization for New England and the New England Power Pool and the entities that are from time to time parties hereto constituting the Individual Participants (the “Participants Agreement”).

The EMM Contract Amendment makes changes to the Scope of Work of the existing contract to conform it to the changes to Section III.A of the Tariff and the Participants Agreement that were contained in the ISO’s April 28, 2009 filing in compliance with Order No. 719<sup>2</sup> (the “April 28, 2009 Filing”). The Commission approved the relevant changes on January 21, 2010. Section III.A.1.2 of the Tariff and Section 9.4.5 of the Participants Agreement require that any changes to the Scope of Work of the contract with the External Market Monitor be filed with the Commission.

A clean version of the Amendment is included as Attachment 1 hereto. A blacklined version of the Scope of Work section of the contract, showing the changes included in the Amendment, is also provided as Attachment 2.

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<sup>1</sup> Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the Tariff.

<sup>2</sup> *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 125 FERC ¶ 61,071 (October 17, 2008) (“Order No. 719”).

## **I. SUMMARY OF AMENDMENT**

The existing contract's Scope of Work follows, in large part, Section 9.4 of the Participants Agreement. The ISO's April 28, 2009 Filing modified this section by changing the scope and content of the market monitoring functions that are to be performed by the External Market Monitor. These modifications were implemented to comply with the directives in Order No. 719. Conforming modifications were also made to Appendix A of Market Rule 1 of the Tariff, which contains the tariff provisions regarding market monitoring and mitigation for the ISO-administered markets.

The EMM Contract Amendment changes the contract's Scope of Work so that it conforms to Section 9.4 of the Participants Agreement as modified to comply with Order No. 719. In addition, the EMM Contract Amendment also replaces the term "Independent Market Monitoring Unit" with the term "External Market Monitor," which was a modification made to the Tariff in the April 28, 2009 Filing.

The parties have been complying with the Commission's January 21, 2010 Order since its issuance.

## **II. REQUESTED EFFECTIVE DATE**

Pursuant to Section 35.11 of the Commission's rules and regulations, 18 C.F.R. § 35.11, the ISO requests waiver of the sixty-day notice requirement so that the Amendment may become effective on May 15, 2010. Good cause exists to grant this waiver request. As explained above, the Amendment simply seeks to conform the ISO's External Market Monitor contract with the changes to the ISO Tariff recently made in compliance with Order No. 719 and accepted by the Commission. The Commission has previously granted waivers under Section 35.11 in similar circumstances in which conforming revisions were required.<sup>3</sup> Furthermore, the Commission will generally grant waiver of the 60-day prior notice requirement for uncontested filings that do not change rates.<sup>4</sup> Such is the case here.

## **III. ADDITIONAL SUPPORTING INFORMATION**

The ISO submits the following additional information pursuant to Sections 205 of the FPA and 35.13 of the Code of Federal Regulations:

35.13(b)(1) – In addition to this transmittal letter, the ISO provides the following materials:

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<sup>3</sup> See, e.g., filing of the ISO and NEPOOL in Docket No. ER08-111-000 (October 29, 2007) (seeking a waiver to permit the effective date for conforming changes to the ISO Tariff to coincide with the initiation date for transmission service over the Northeast Reliability Interconnect); tariff changes accepted with requested effective date in letter order issued November 23, 2007.

<sup>4</sup> Central Hudson Gas & Electric Corp., 60 FERC 61,106 at 61,338 (1992).

- the EMM Contract Amendment (Attachment 1);
- A blackline of the Scope of Work showing the changes contained in the EMM Contract Amendment (Attachment 2); and
- a list of non-Market Participant Customers, as well as a list of the governors and utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont to which a copy of this filing has been sent (Attachment 3).

35.13(b)(2) – The ISO requests that the Commission accept the EMM Contract Amendment as filed, effective May 15, 2010. Pursuant to Section 35.11 of the Commission's rules and regulations, 18 C.F.R. § 35.11, the ISO requests waiver of the sixty-day notice requirement.

35.13(b)(3) – An electronic copy of this filing is being provided to all NEPOOL Participants, and a copy of this filing is being provided to the Non-Market Participant Transmission Customers, the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area, and the New England Conference of Public Utilities Commissioners. The names and addresses of these recipients are shown in Attachment 3. In accordance with Commission rules and practice, there is no need for entities identified on Attachment 3 to be included on the Commission's official service list in the captioned docket unless such entities become interveners in this docket.

35.13(b)(4) – A description of the materials submitted pursuant to this filing is contained in Sections I and II of this transmittal letter.

35.13(b)(5) – Section I of this transmittal letter explains the reasons why the proposed EMM Contract Amendment should be accepted by the Commission.

35.13(b)(6) – The ISO's approval of these changes is evidenced by this filing.

35.13(b)(7) – The ISO does not have any knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

35.13(c)(3) – No specifically assignable facilities have been or will be installed or modified in order for the Commission to accept this filing.

#### **IV. COMMUNICATIONS**

Correspondence and communications regarding this filing should be addressed to the undersigned for the ISO as follows:

Kimberly D. Bose, Secretary  
May 14, 2010  
Page 4

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\*Persons designated for service

## V. CONCLUSION

For the reasons stated herein, the ISO requests that the Commission accept the EMM Contract Amendment as filed, effective May 15, 2010.

Please acknowledge receipt of the foregoing by date-stamping the enclosed extra copies of this filing and returning them to the courier delivering this filing.

Respectfully submitted,



Maria A. Gulluni  
Assistant General Counsel - Corporate  
ISO New England Inc.

## **Attachment 1**

**AMENDMENT NO. 1 TO SERVICES AGREEMENT BETWEEN  
POTOMAC ECONOMICS, LTD. AND ISO NEW ENGLAND INC.**

This AMENDMENT NO. 1 (the "Amendment") is dated as of January 21, 2010 by and between POTOMAC ECONOMICS, LTD. (the "External Market Monitor") and ISO NEW ENGLAND INC. ("ISO-NE").

WHEREAS, reference is hereby made to that certain Services Agreement effective January 1, 2009 between the External Market Monitor and ISO-NE (the "Agreement"); and

WHEREAS, the parties have agreed that the Agreement should be amended in order to comply with the January 21, 2010 Order of the Federal Energy Regulatory Commission regarding ISO-NE's compliance with Order No. 719; and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

NOW THEREFORE, in consideration of the agreements of the parties, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree as follows:

1. The Agreement, this Amendment, and all previous and future amendments to the Agreement may be filed with the Federal Energy Regulatory Commission.
2. All references to the "Independent Market Monitoring Unit" or "IMMU" in the Agreement shall be changed to "External Market Monitor."
3. Exhibit A of the Agreement shall be replaced with the Scope of Work attached as Exhibit A hereto, and said Scope of Work shall be made part of the Agreement as if fully set forth therein.
4. All other terms and conditions of the Agreement not specifically modified herein shall remain in full force and effect.
5. This Amendment may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed as of the date first above-written.

POTOMAC ECONOMICS, LTD.

By: 

Name: David B. Patton  
Title: President

ISO NEW ENGLAND INC.

By: 

Robert Ludlow  
Vice President and Chief Financial  
Officer

## **EXHIBIT A**

### **SCOPE OF WORK**

Capitalized terms not otherwise defined in the Agreement or this Scope of Work shall have the meanings set forth in the Participants Agreement. As set forth in Section 9.4.5 of the Participants Agreement, any limitation or modification to this Scope of Work shall be subject to the prior approval of the FERC.

#### **A. REPORTING RELATIONSHIP**

The External Market Monitor reports directly to the Markets Committee of the ISO-NE Board of Directors. The External Market Monitor will attend all meetings of the Markets Committee (including those held with Governance Participants) and report on the performance of the markets and on market power mitigation. The External Market Monitor may be asked to participate in preparatory meetings with ISO-NE staff regarding related issues. The External Market Monitor shall submit to the Office of the General Counsel for distribution to the Markets Committee, eight (8) days in advance of each regularly-scheduled meeting of the Markets Committee or at such other interval as the parties may agree, a set of PowerPoint slides in a form to be agreed by the parties.

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#### **B. REQUIRED FUNCTIONS OF THE EXTERNAL MARKET MONITOR PER THE PARTICIPANTS AGREEMENT**

As set out in Section 9.4.3 of the Participants Agreement, the External Market Monitor shall undertake the following functions:

(i) Review the competitiveness of the New England Electricity Markets, the impact that the Market Rules and/or changes to the Market Rules will have on the New England Markets and the impact that ISO-NE's actions have had on the New England Markets. In the event that the External Market Monitor uncovers problems with the New England Markets, the External Market Monitor shall promptly inform the Commission, the Commission's Office of Energy Market Regulation staff, ISO-NE Board, the public utility commissions for each of the six New England states, and the Governance Participants of its findings in accordance with the procedures outlined in Sections III.A.14 and III.A.15 of Appendix A of the Market Rules, provided that, in the case of Governance Participants and the public utility commissions, information in such findings shall be redacted as necessary to comply with the Information Policy. Notwithstanding the foregoing, in the event the External Market Monitor believes broader dissemination could lead to exploitation, it shall limit distribution of its identifications to ISO-NE and to the Commission, with an explanation of why broader dissemination should be avoided at that time.

(ii) Perform independent evaluations and prepare annual and ad hoc reports on the overall competitiveness and efficiency of the New England Markets or particular aspects of the New England Markets, including the adequacy of the Market Rules on

Monitoring and in accordance with the provisions of Section III.A.12 of Appendix A of the Market Rules. The External Market Monitor shall have the sole discretion to determine whether and when to prepare ad hoc reports and may prepare such reports on its own initiative or pursuant to requests by ISO-NE, state public utility commissions or one or more Governance Participants. Final versions of such reports shall be disseminated contemporaneously to the Commission, the ISO-NE Board, the Governance Participants, and state public utility commissions for each of the six New England states, provided that, in the case of the Governance Participants and public utility commissions, such information shall be redacted as necessary to comply with the Information Policy. Such reports shall, at a minimum, include:

- (a) Review and assessment of the practices, Market Rules, procedures, protocols and other activities of ISO-NE insofar as such activities, and the manner in which ISO-NE implements such activities, affect the competitiveness and efficiency of the New England Markets.
- (b) Review and assessment of the practices, procedures, protocols and other activities of any ITC or ITCs, transmission provider or similar entity insofar as its activities affect the competitiveness and efficiency of the New England Markets.
- (c) Review and assessment of the activities of Governance Participants insofar as these activities affect the competitiveness and efficiency of the New England Markets.
- (d) Review and assessment of the effectiveness of the Market Rules on Market Monitoring and Mitigation and the administration of the Market Rules on Market Monitoring and Mitigation by the Internal Market Monitor for consistency and compliance with the terms of the Market Rules on Market Monitoring and Mitigation.
- (e) Review and assessment of the relationship of the New England Markets with any ITC or ITCs and with adjacent markets.

The External Market Monitor, subject to confidentiality restrictions, may decide whether and to what extent to share drafts of any report or portions thereof with the Commission, ISO-NE, one or more state public utility commission(s) in New England or Governance Participants for input and verification before the report is finalized. The External Market Monitor shall keep the Governance Participants informed of the progress of any report being prepared pursuant to the terms of this Agreement.

(iii) Conduct evaluations and prepare reports on its own initiative or at the request of others.

(iv) Prepare recommendations to the ISO-NE Board and the Governance Participants on how to improve the overall competitiveness and efficiency of the New

England Markets or particular aspects of the New England Markets, including improvements to the Market Rules on Market Monitoring and Mitigation.

(v) Recommend actions to the ISO-NE Board and the Governance Participants to increase liquidity and efficient trade between regions and improve the efficiency of the New England Markets.

(vi) Review ISO-NE's filings with the Commission from the standpoint of the effects of any such filing on the competitiveness and efficiency of the New England Markets. The External Market Monitor will have the opportunity to comment on any filings under development by ISO-NE and may file comments with the Commission when the filings are made by ISO-NE. The subject of any such comments will be the External Market Monitor's assessment of the effects of any proposed filing on the competitiveness and efficiency of the New England Markets, or on the effectiveness of the Market Rules on Market Monitoring and Mitigation, as appropriate.

(vii) Provide information to be directly included in the monthly market updates that are provided at the meetings of the Governance Participants.

### **C. ADDITIONAL FUNCTIONS**

(i) The External Market Monitor will review the quality and appropriateness of the mitigation conducted by the Internal Market Monitor. In the event that the External Market Monitor discovers problems with the quality or appropriateness of such mitigation, the External Market Monitor shall promptly inform the Commission, the Commission's Office of Energy Market Regulation staff, the ISO Board of Directors, the public utility commissions for each of the six New England states, and the Governance Participants of its findings in accordance with the procedures outlined in Sections III.A.14 and/or III.A.15 of this Appendix A of the Market Rules, provided that in the case of Governance Participants and the public utility commissions, information in such findings shall be redacted as necessary to comply with the Information Policy. Notwithstanding the foregoing, in the event the External Market Monitor believes broader dissemination could lead to exploitation, it shall limit distribution of its identifications to the ISO and to the Commission, with an explanation of why broader dissemination should be avoided at that time.

(ii) The External Market Monitor will review relevant reports and analysis done by ISO-NE staff, and will consult with staff at staff's request, including about general analysis issues, and, per Section 9.4.4(c) of the Participants Agreement, the implementation and application of the Market Rules on Market Monitoring and Mitigation.

(iii) The External Market Monitor will assess the impact of market rules and design on market efficiency within and across control area regions. This includes analysis of and recommendations for addressing interregional market monitoring and seams issues with neighboring electricity markets and control areas. The External Market

Monitor will likely be required to participate in meetings with representatives of other ISOs to seek coordinated market monitoring.

(iv) As set forth in Section 10.4.2 of the Participants Agreement, Governance Participants in the New England markets may request that the External Market Monitor report whether the current market design/rules support efficient and competitive outcomes. If the External Market Monitor determines that the Market Rules do not support competitive outcomes, the External Market Monitor may recommend changes to ISO-NE that will address the problem. However, in all such interactions, the External Market Monitor shall comply with the terms of the Information Policy.

(v) The External Market Monitor shall:

(a) document core business processes (e.g., those deemed critical to performing market monitoring and mitigation functions) with sufficient detail to support the monitoring and mitigation of the New England Markets, including sufficient details on software analytics being utilized;

(b) develop coordinated process flow diagrams supporting business processes performed by the Internal Market Monitor and External Market Monitor, including the transfer of data, information, conclusions and recommendations between the Internal Market Monitor and External Market Monitor; and

(c) perform a “gap analysis” to ensure that all requirements set forth in governing documents are addressed in the written documentation supporting market monitoring and mitigation processes.

## **Attachment 2**

## EXHIBIT A

### SCOPE OF WORK

Capitalized terms not otherwise defined in the Agreement or this Scope of Work shall have the meanings set forth in the Participants Agreement. As set forth in Section 9.4.5 of the Participants Agreement, any limitation or modification to this Scope of Work shall be subject to the prior approval of the FERC.

#### **A. REPORTING RELATIONSHIP**

The IMMUExternal Market Monitor reports directly to the Markets Committee of the ISO-NE Board of Directors. The IMMUExternal Market Monitor will attend all meetings of the Markets Committee (including those held with Governance Participants) and report on the performance of the markets and on market power mitigation. The IMMUExternal Market Monitor may be asked to participate in preparatory meetings with ISO-NE staff regarding related issues. The IMMUExternal Market Monitor shall submit to the Office of the General Counsel for distribution to the Markets Committee, eight (8) days in advance of each regularly-scheduled meeting of the Markets Committee or at such other interval as the parties may agree, a set of PowerPoint slides in a form to be agreed by the parties.

#### **B. REQUIRED FUNCTIONS OF THE IMMUEXTERNAL MARKET MONITOR PER THE PARTICIPANTS AGREEMENT**

As set out in Section 9.4.3 of the Participants Agreement, the IMMUExternal Market Monitor shall undertake the following functions:

(i) Review the competitiveness of the New England Electricity ~~Market~~Markets, the impact that the Market Rules and/or changes to the Market Rules will have on the New England ~~Electricity Market~~Markets and the impact that ISO-NE's actions have had on the New England ~~Electricity Market~~Markets. In the event that the IMMUExternal Market Monitor uncovers problems with the New England ~~Electricity Market~~Markets, the IMMUExternal Market Monitor shall promptly inform the Commission, the Commission's Office of Energy Market Regulation staff, ISO-NE Board, statethe public utility commissions for each of the six New England states, and the Governance Participants of its findings in accordance with the procedures outlined in Sections III.A.14 and III.A.15 of Appendix A of the Market Rules, provided that, in the case of Governance Participants and the public utility commissions, information in such findings shall be redacted as necessary to comply with the Information Policy. Notwithstanding the foregoing, in the event the External Market Monitor believes broader dissemination could lead to exploitation, it shall limit distribution of its identifications to ISO-NE and to the Commission, with an explanation of why broader dissemination should be avoided at that time.

(ii) Perform independent evaluations and prepare annual and ad hoc reports on the overall competitiveness and efficiency of the New England ~~Electricity Market~~Markets or particular aspects of the New England ~~Electricity Market~~Markets, including the adequacy of the Market Rules on Monitoring and Mitigation Plan~~in accordance with the provisions of Section III.A.12 of Appendix A of the Market Rules~~. The ~~IMMU~~External Market Monitor shall have the sole discretion to determine whether and when to prepare ad hoc reports and may prepare such reports on its own initiative or pursuant to requests by ISO-NE, state public utility commissions or one or more Governance Participants. Final versions of such reports shall be disseminated contemporaneously to the Commission, the ISO-NE Board, the Governance Participants, and state public utility commissions for each of the six New England states, provided that, in the case of the Governance Participants and public utility commissions, such information shall be redacted as necessary to comply with the Information Policy. Such reports shall, at a minimum, include:

(a) Review and assessment of the practices, Market Rules, procedures, protocols and other activities of ISO-NE insofar as such activities, and the manner in which ISO-NE implements such activities, affect the competitiveness and efficiency of the New England ~~Electricity Market~~Markets.

(b) Review and assessment of the practices, procedures, protocols and other activities of any ITC or ITCs, transmission provider or similar entity insofar as its activities affect the competitiveness and efficiency of the New England ~~Electricity Market~~Markets.

(c) Review and assessment of the activities of Governance Participants insofar as these activities affect the competitiveness and efficiency of the New England ~~Electricity Market~~Markets.

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(d) Review and assessment of the effectiveness of the Market Rules on Market Monitoring and Mitigation Plan and the administration of the Market Rules on Market Monitoring and Mitigation Plan by ISO-NE Staff the Internal Market Monitor for consistency and compliance with the terms of the Market Rules on Market Monitoring and Mitigation Plan.

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(e) Review and assessment of the ~~interrelationship~~relationship of the New England ~~Electricity Market~~Markets with any ITC or ITCs and with adjacent markets.

~~The IMMU in its sole discretion~~The External Market Monitor, subject to confidentiality restrictions, may decide whether and to what extent to share drafts of any report or portions thereof with the Commission, ISO-NE, one or more state public utility commission(s) in New England or Governance Participants for input and verification before the report is finalized. ~~The IMMU~~External Market Monitor shall keep the Governance Participants informed of the progress of any report being prepared pursuant to the terms of this Agreement.

(iii) Conduct evaluations and prepare reports on its own initiative or at the request of others.

(iv) Prepare recommendations to the ISO-NE Board and the Governance Participants on how to improve the overall competitiveness and efficiency of the New England ~~Electricity Market~~Markets or particular aspects of the New England ~~Electricity Market~~Markets, including improvements to the Market Rules on Market Monitoring and Mitigation-Plan.

(v) Recommend actions to the ISO-NE Board and the Governance Participants to increase liquidity and efficient trade between regions and improve the efficiency of the New England ~~Electricity Market~~Markets.

(vi) Review ISO-NE's filings with the Commission from the standpoint of the effects of any such filing on the competitiveness and efficiency of the New England ~~Electricity~~Markets. ~~The External Market~~The IMMU Monitor will have the opportunity to comment on any filings under development by ISO-NE ~~during the Governance Participant process~~ and may file comments with the Commission when the filings are made by ISO-NE. The subject of any such comments will be the ~~IMMU's~~External Market Monitor's assessment of the effects of any proposed filing on the competitiveness and efficiency of the New England ~~Electricity Market~~Markets, or on the effectiveness of the Market Rules on Market Monitoring and Mitigation-Plan, as appropriate.

(vii) Provide information to be directly included in the monthly market updates that are provided at the meetings of the Governance Participants ~~Committee~~.

~~(viii) If and when established, participate in a committee of regional market monitors to review issues associated with interregional transactions, including any barriers to efficient trade and competition.~~

### C. ADDITIONAL FUNCTIONS

~~(i) The IMMU will review and discuss with ISO-NE Market Monitoring staff any decision by ISO-NE staff to mitigate bids prior to the imposition of the mitigation. The timing of these decisions requires the IMMU to be available and on-call for consultations at all times. The IMMU may also propose specific mitigation actions to ISO-NE Market Monitoring and Mitigation staff, including those that may require a Section 205 filing.~~

(i) The External Market Monitor will review the quality and appropriateness of the mitigation conducted by the Internal Market Monitor. In the event that the External Market Monitor discovers problems with the quality or appropriateness of such mitigation, the External Market Monitor shall promptly inform the Commission, the Commission's Office of Energy Market Regulation staff, the ISO Board of Directors, the public utility commissions for each of the six New England states, and the Governance Participants of its findings in accordance with the procedures outlined in Sections III.A.14 and/or III.A.15 of this Appendix A of the Market Rules, provided that in the case of Governance Participants and the public utility commissions, information in such findings shall be redacted as necessary to comply with the Information Policy. Notwithstanding the foregoing, in the event the External Market Monitor believes broader dissemination could lead to exploitation, it shall limit distribution of its identifications to the ISO and to the Commission, with an explanation of why broader dissemination should be avoided at that time.

(ii) The IMMUEExternal Market Monitor will review relevant reports and analysis done by ISO-NE staff, and will consult with staff at staff's request, including about general analysis issues, ~~specific market monitoring and mitigation activities,~~ and, per Section 9.4.4(c) of the Participants Agreement, the implementation and application of the Market Rules on Market Monitoring and Mitigation-Plan.

(iii) The IMMUEExternal Market Monitor will assess the impact of market rules and design on market efficiency within and across control area regions. This includes analysis of and recommendations for addressing interregional market monitoring and seams issues with neighboring electricity markets and control areas. The IMMUEExternal Market Monitor will likely be required to participate in meetings with representatives of other ISOs to seek coordinated market monitoring.

(iv) As set forth in Section 10.4.2 of the Participants Agreement, Governance Participants in the New England markets may request that the IMMUEExternal Market Monitor report whether the current market design/rules support efficient and competitive outcomes. If the IMMUEExternal Market Monitor determines that the Market Rules do not support competitive outcomes, the IMMUEExternal Market Monitor may recommend changes to ISO-NE that will address the problem. However, in all such interactions, the IMMUEExternal Market Monitor shall comply with the terms of the Information Policy.

(v) The IMMUEExternal Market Monitor shall:

(a) document core business processes (e.g., those deemed critical to performing market monitoring and mitigation functions) with sufficient detail to support the monitoring and mitigation of the New England ~~Electricity~~ MarketMarkets, including sufficient details on software analytics being utilized;

(b) develop coordinated process flow diagrams supporting business processes performed by ISO-NE~~the Internal Market Monitoring staff~~ Monitor and IMMUEExternal Market Monitor, including the transfer of data, information,

conclusions and recommendations between ~~ISO-NE~~the Internal Market  
~~Monitoring staff~~Monitor and ~~HMMU~~External Market Monitor; and

(c) perform a “gap analysis” to ensure that all requirements set forth in governing documents are addressed in the written documentation supporting market monitoring and mitigation processes.

## **Attachment 3**

The Honorable John E. Baldacci  
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