



October 31, 2016

VIA ELECTRONIC FILING

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. ER17-____-000**

Dear Secretary Bose:

ISO New England Inc. (the “ISO”) hereby submits its contract with its External Market Monitor, Potomac Economics, Ltd. (“Potomac”), 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”),¹ 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”). This contract between the ISO and Potomac (the “Contract”) replaces the prior contract and amendment on file with the Commission.² A clean copy of the Contract is located at Attachment 1 hereto. A blacklined version of the Contract, showing changes from the most recent prior contract (inclusive of all amendments), is provided as Attachment 2.

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

² *ISO New England, Inc.*, Informational Filing of Contract between ISO New England Inc. and Potomac Economics, Ltd; Docket No. ER09-192-000 (2008); *ISO New England, Inc.*, ISO New England Inc. Amendment 1 to Contract with External Market Monitor, Potomac Economics, Ltd., Docket No. ER10-1250-000. (2010).

I. BACKGROUND

The ISO originally contracted with Potomac to be the ISO's "market advisor" in June, 2001. Pursuant to the original agreement, Potomac's services included reviewing mitigation decisions made by the ISO's staff, reviewing staff reports, and coordinating with other control areas. This relationship changed as part of the ISO's transition to status as a Regional Transmission Organization, effective February 1, 2005. Accordingly, the ISO and Potomac amended their agreement and, in accordance with Section III.A.1.2 of the Tariff and Section 9.4.5 of the Participants Agreement, filed the agreement with the Commission.³

The ISO filed another revised agreement with Potomac in 2008 after the ISO's Board of Directors again selected Potomac as the ISO's External Market Monitor, this time following a Request for Proposals that was issued in anticipation of the expiration of the then-current contract.⁴ At that time, the parties enhanced the conflict of interest provisions in the contract and added provisions regarding physical and cyber security. The parties also revised the agreement to comply with the Commission's Order Nos. 719 and 719-A.⁵

Given the upcoming expiration of the ISO's current contract with Potomac on December 31, 2016, the ISO's Board again decided that it would be prudent to issue a Request for Proposals for external market monitoring services for 2017 through 2019. After reviewing the submissions, the Board selected Potomac and subsequently worked with Potomac to refine and revise the Contract for the upcoming three-year term.

II. TERMS OF CONTRACT

The Contract is closely modeled on the existing agreement between Potomac and the ISO. Both versions include all of the functions of the External Market Monitor that are required by the ISO Tariff, although the Contract includes these requirements by reference to the relevant sections of the Tariff rather than replicating them in the Scope of Work.⁶ Also, as required in the Tariff, the contract provides for reasonable access by the External Market Monitor to ISO data and personnel;⁷ for clarity, the parties have changed this section by replicating, rather than

³ *Omnibus 205 Filing with Respect to Regional Transmission Organization for New England*, ER05-374-000 (filed December 23, 2003). The Commission acknowledged receipt of the informational portion of the filing in its *Order Authorizing RTO Operations* dated February 10, 2005 (see P. 45).

⁴ See fn. 2, *infra*.

⁵ *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 125 FERC ¶ 61,071, PP 301-476, (2008) ("Order No. 719"), *order on reh'g.*, Order 719-A, 128 FERC ¶ 61,059, P 164(2009), *reh'g denied*, Order 719-B, 129 FERC ¶ 61,252 (2009).

⁶ Attachment 1, Exhibit A, Section B ("Required Functions of the External Market Monitor per the Tariff"). As reflected in the blackline, the parties struck the verbatim sections of the Participants Agreement and/or Tariff (which have identical requirements for the External Market Monitor) and replaced them with section references to the Tariff. This change eliminates the need to amend the Contract should the underlying Tariff and/or Participants Agreement language be amended.

⁷ Attachment 1, Section 6.7 ("Access to Data").

paraphrasing, the language from the Tariff. Finally, both the Contract and its predecessor require that any proposed termination of the Contract or modification of, or other limitation on, the Contract's scope of work shall be subject to prior Commission approval.⁸

The parties also changed the Contract to reflect the current terminology used in the Tariff (e.g., from "Independent Market Monitoring Unit" to "External Market Monitor").⁹ The parties also simplified the payment structure in Article 3, which caused the elimination of the defined term "Market Advisor Services." Specifically, the parties have agreed that Potomac will provide all services listed in the Scope of Work for a flat fee, provided that Potomac maintains the ability to also charge at an hourly rate for additional services requested by the ISO or "ad hoc reports or filings by the [External Market Monitor] that it deems warranted per the requirements of the Tariff and Participants Agreement."¹⁰

As noted above, the parties revised Section 6.7 to use the exact language from the Tariff regarding the ISO's obligation to provide access to ISO-NE's data, resources and personnel. The parties also enhanced the cyber security provisions in Section 6.8 of the Contract to provide more specificity about Potomac's obligations. These changes reflect the increasing cyber threat, the sensitivity of Potomac's work for the ISO, and the maturation of cyber security responses to the growing risk. Accordingly, Section 6.8 now requires Potomac to maintain appropriate safeguards over its software and the ISO's Confidential Information, address breaches, update security procedures, and develop a business continuity plan. The parties also agreed to a broadening of the ISO's rights to audit Potomac's physical and logical security. Finally in Section 6.8, the parties agreed to negotiate the allocation of any costs incurred as a result of Potomac implementing the ISO's recommendations; the current agreement is silent on that subject. In Section 7.1, the parties modified the term of the Agreement to specify that it runs from the effective date (January 1, 2017) through December 31, 2019.

Turning to the appendices, in Section A of the Scope of Work, the parties clarified Potomac's relationship with the Markets Committee of the Board and the required attendance of Potomac's principal, David Patton, at Markets Committee meetings. The parties also clarified that Potomac's reports at these meetings will use the Internal Market Monitor's reports as a baseline. This practice will ensure that all parties are working from the same data set. Previously, the two monitors have been drafting reports independently, which has led to some duplication of efforts and confusion when results were measured in slightly different time periods. Potomac will continue to perform its own data analysis as a safeguard and will also report on any significant results thereof.

⁸ See Attachment 1, Section 7.2(e) ("[n]otwithstanding the foregoing, no termination of this Agreement shall be effective until the FERC has approved such termination pursuant to a filing by one or both of the parties hereto") and the second sentence of Exhibit A ("[a]s set forth in Section III.A.1.2 of the Tariff, any limitation or modification to this Scope of Work shall be subject to the prior approval of FERC").

⁹ Contract at Article I.

¹⁰ Contract at Section 3.1(a).

In Section B of the Scope of Work, as noted above, the parties deleted verbatim sections of the Participants Agreement and/or Tariff (which contain substantially identical provisions governing the ISO's relationship with its External Market Monitor). Instead, in order to shorten the Scope of Work and eliminate the need to amend the Contract should there be a change in the underlying Tariff and/or Participants Agreement language, the parties replaced these provisions with references to the relevant sections of the Tariff.

The parties also called out four of Potomac's responsibilities for clarity. Regarding the first, which is Potomac's review of market designs and the competitiveness of the markets, the parties noted that Potomac will be expected to issue written opinions on material designs and that the Internal Market Monitor will share its reports to facilitate Potomac's review of market competitiveness. Regarding Potomac's responsibility for reporting, Section B states that Potomac will continue its regular reports, but will focus on comparisons to other markets and will coordinate with the Internal Market Monitor, again to prevent duplication and confusion. The final two subsections specify that Potomac will continue to review the appropriateness of the Internal Market Monitor's mitigation and make referrals to the Commission's Office of Enforcement as necessary.

In Section C of the Scope of Work, the parties refer to the critical sections of the Agreement (Sections 6.7 and 6.8) regarding the ISO's obligation to provide Potomac with access to data and other resources and Potomac's obligation to protect that data. Finally, the parties updated the contract and reimbursement rates in Exhibits B and C.

III. DESCRIPTION OF THE FILING PARTY AND COMMUNICATIONS

The ISO is the private, non-profit entity that serves as the regional transmission organization for New England. The ISO operates the New England bulk power system and administers New England's organized wholesale electricity market pursuant to the Tariff and the Transmission Operating Agreement with the New England Participating Transmission Owners. In its capacity as a regional transmission organization, the ISO has the responsibility to protect the short-term reliability of the New England Control Area and to operate the system according to reliability standards established by the Northeast Power Coordinating Council and the North American Electric Reliability Council.

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

Maria A. Gulluni
Deputy General Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: (413) 540-4473
E-mail: MGulluni@iso-ne.com

IV. REQUESTED EFFECTIVE DATE

The ISO respectfully requests that the Commission accept the Contract filed herein without modification, condition, or delay, to be effective January 1, 2017, which is the sixty-second day after the date of this filing. January 1, 2017 is also the Contract's effective date, and an Order approving the Contract by that date will ensure continuity of Potomac's services as the External Market Monitor for New England.

V. ADDITIONAL SUPPORTING INFORMATION

Section 35.13 of the Commission's regulations generally requires public utilities to file certain cost and other information related to an examination of traditional cost-of-service rates. However, the Contract is not a traditional "rate" and the ISO is not a traditional investor-owned utility. Therefore, to the extent necessary, the Filing Parties request waiver of Section 35.13 of the Commission's regulations.¹¹ Notwithstanding its request for waiver, the Filing Parties submit the following additional information in substantial compliance with relevant provisions of Section 35.13 of the Commission's regulations:

35.13(b)(1) – Materials included herewith are as follows:

- This transmittal letter;
- Clean copy of the Contract (Attachment 1);
- Blacklined copy of the Contract reflecting the differences between the prior contract (as amended) and this contract (Attachment 2); and
- List of 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) – As set forth in Section I above, the Filing Parties request that the changes become effective on January 1, 2017.

35.13(b)(3) – Pursuant to Section 17.11(e) of the Participants Agreement, Governance Participants are being served electronically rather than by paper copy. The names and addresses of the Governance Participants are posted on the ISO's website at <http://www.iso-ne.com/participate/participant-asset-listings> . A copy of this transmittal letter and the accompanying materials have also been sent to the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area, the New England Conference of Public Utility Commissioners, Inc., and to the New England States Committee on Electricity. Their names and addresses are shown in the attached listing. In accordance with Commission rules and practice, there is no need for the Governance Participants

¹¹ 18 C.F.R. § 35.13 (2011).

or the entities identified in the listing to be included on the Commission's official service list in the captioned proceeding unless such entities become intervenors in this proceeding.

35.13(b)(4) – A description of the materials submitted pursuant to this filing is contained in Section V of this transmittal letter.

35.13(b)(5) – The reasons for this filing are discussed in Section II of this transmittal letter.

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

35.13(b)(7) – The ISO has no 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(b)(8) – A form of notice and electronic media are no longer required for filings in light of the Commission's Combined Notice of Filings notice methodology.

35.13(c)(1) – The changes submitted herein do not modify a traditional "rate," and the statement required under this Commission regulation is not applicable to the instant filing.

35.13(c)(2) – The ISO does not provide services under other rate schedules that are similar to the wholesale, resale and transmission services it provides under the Tariff.

35.13(c)(3) - No specifically assignable facilities have been or will be installed or modified in connection with the revision filed herein.

V. CONCLUSION

The ISO requests that the Commission accept the Contract, effective January 1, 2017.

Respectfully submitted,

/s/ Maria A. Gulluni
Maria A. Gulluni
Deputy General Counsel
ISO New England Inc.

Attachment 1

EMM SERVICES AGREEMENT

THIS EMM SERVICES AGREEMENT (the “Agreement”) is made as of this 1st day of January, 2017, by and between POTOMAC ECONOMICS, LTD. (the “External Market Monitor” or “EMM”), and ISO New England Inc., a non-stock corporation incorporated under the laws of the State of Delaware (“ISO-NE”).

WHEREAS, ISO-NE has determined it requires the services of the EMM, as outlined in this Agreement, to support the operations of ISO-NE; and

WHEREAS, in connection therewith, the EMM is willing to provide services as more fully set forth in this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the EMM and ISO-NE covenant and agree as follows:

ARTICLE 1 – DEFINITIONS

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings indicated below:

“**Agreement**” has the meaning set forth in the recitals.

“**Commission**” or “**FERC**” means the Federal Energy Regulatory Commission.

“**Confidential Information**” means the following except to the extent excluded under Section 6.4 below: (a) all information about ISO-NE, its vendors or any Market Participant, whether furnished before or after the date hereof, whether oral, written or recorded/electronic, and regardless of the manner in which it is furnished; (b) all reports, summaries, compilations, analyses, notes or other information which are based on, contain or reflect any Confidential Information; (c) any and all Confidential Information, as that term is defined in the ISO New England Information Policy, which is located at http://www.iso-ne.com/static-assets/documents/regulatory/tariff/attach_d/attachment_d.pdf; and (d) any information which, if disclosed by a transmission function employee of a utility regulated by the FERC to a market function employee of the same utility system, other than by public posting, would violate the FERC’s open access same time information regulations.

“**EMM**” has the meaning set forth in the recitals.

“**EMM Affiliate**” means any entity that controls, is controlled by or is under common control with the EMM.

“**EMM Software**” means software used by the EMM to perform its monitoring function or produce the analyses contained in the products and deliverables provided to ISO-NE.

“**ISO-NE**” has the meaning set forth in the recitals.

“**Majeure Event**” has the meaning set forth in Section 9.13.

“**Market Participant**” has the meaning set forth in the Tariff.

“**Markets Committee**” means the Markets Committee of ISO-NE’s Board of Directors.

“**Other Services**” means ad hoc reports, analyses or filings produced by the EMM, or reports, analyses, affidavits, filings, or testimony requested by and approved by the Markets Committee or ISO-NE’s General Counsel.

“**Reimbursement Rates**” means the negotiated rates of reimbursement of the EMM set forth on Exhibit C attached hereto.

“**Scope of Work**” means the Scope of Work attached hereto as Exhibit A.

“**Services**” has the meaning set forth in Section 2.1.

“**Tariff**” means ISO-NE’s Transmission, Markets and Services Tariff.

“**Work Product**” means any report, analysis, data compilation or database, methodology, processes, protocol, plan, item of documentation or other deliverable developed by the EMM in performing the Services set forth in this Agreement. Work Product shall not include the EMM Software.

ARTICLE 2 - SERVICES AND RESPONSIBILITIES OF EMM

Section 2.1. Scope and Delivery of Services. The Scope of Work describes the primary services and Work Product to be provided by the EMM pursuant to this Agreement (the “Services”). The EMM may also provide Other Services as described in this Agreement. The parties agree that the EMM shall perform the Services specified in the Scope of Work and Other Services in a timely fashion and in accordance with all relevant delivery dates.

Section 2.2. Personnel of EMM. (a) The EMM agrees that it will provide the employees specified on Exhibit B for the performance of the Services, and that such employees are properly trained and qualified and possess appropriate technical skills and experience for the Services they are to perform. All Services, work and deliverables to be performed hereunder by the EMM shall be performed by qualified personnel in a professional manner, and in accordance with the highest industry standards. The EMM shall, and shall cause its personnel to, work in good faith with ISO-NE’s employees and contractors.

(b) The EMM shall not hire any subcontractor to perform the Services as a whole or in part and shall not reassign, or redefine the roles of, any of the employees listed in Exhibit B, in either case without ISO-NE’s prior written consent. Notwithstanding the foregoing, the EMM shall be responsible for the compliance of any subcontractor with each term of this Agreement.

(c) The EMM shall, and shall cause its personnel to, perform the Services in accordance with all of ISO-NE's policies, as set forth from time to time. Specifically, the personnel of the EMM specified in Exhibit B shall comply with ISO-NE's Code of Conduct, which is located at http://www.iso-ne.com/static-assets/documents/aboutiso/corp_gov/bylaws/code_of_conduct.pdf, and shall annually execute the attached compliance certificate.

(d) The EMM hereby agrees that ISO-NE has the right to perform background checks on the EMM and its employees at any time during the term of this Agreement. The EMM has informed its employees accordingly, and has secured their consent to the performance of such background checks.

(e) The EMM shall be solely responsible for the payment of its employees' entire compensation and benefits, including employment taxes and workers' compensation.

ARTICLE 3 – PAYMENTS, RECORDS AND AUDIT RIGHTS

Section 3.1. Payments to EMM. (a) Invoices. The EMM shall submit invoices in arrears to ISO-NE (Attn.: Accounts Payable) on a monthly basis. Invoices shall include the following charges:

(i) In compensation for all Services, except Other Services, a monthly fixed fee of \$66,000, as adjusted annually to account for inflation; and

(ii) Authorized, reasonable and documented out-of-pocket expenses, including travel and necessary subscriptions to Platts fuel indices, that were incurred by the EMM in the performance of the Services, in accordance with the Reimbursement Rates; and

(iii) Hourly charges at the rates listed on Exhibit B, as adjusted annually to account for inflation, for Other Services, which shall include: (A) Other Services requested by the Markets Committee or ISO-NE's General Counsel, for which the EMM will provide a written estimation of cost and effort that must be approved by the Chair of the Markets Committee or ISO-NE's General Counsel, as applicable; or (B) ad hoc reports or filings by the EMM that it deems warranted per the requirements of the Tariff and Participants Agreement, for which the EMM will provide a written estimation of cost and effort to the Chair of the Markets Committee or ISO-NE's General Counsel, as applicable, before beginning the work. As set out in Sections 9.4.3 and 10.4.2 of the Participants Agreement, such reports may include ad hoc reports prepared on the EMM's own initiative or pursuant to requests by ISO-NE, state public utility commissions or one or more Governance Participants.

(b) Taxes. The fees to be paid and expenses to be reimbursed by ISO-NE for the Services performed hereunder shall be inclusive of any applicable sales and use taxes.

(c) **Payment.** ISO-NE will review each invoice and shall pay any undisputed amount thereunder within thirty (30) days of the date of submission of such invoice to ISO-NE. With respect to any invoice submitted by the EMM, ISO-NE may, without triggering a default under this Agreement, withhold from any payment otherwise due: (i) any amount incorrectly invoiced, provided that ISO-NE timely informs the EMM of the amounts alleged to be incorrectly invoiced and the basis for any such assertion for review, resolution and rebilling purposes; or (ii) any amount in dispute.

(d) **Disclosure.** The parties acknowledge that, as required by the Participants Agreement between ISO-NE and the New England Power Pool, the EMM budget will be separately identified, included and considered in the overall ISO budget process set forth in Section 12 of the Participants Agreement.

Section 3.2. Records; Final Audit. The EMM shall keep and maintain detailed books of account in support of all chargeable hours and reimbursable expenses under this Agreement. Such books shall include without limitation a record of the hours worked by each of the EMM's personnel whose time is billed to ISO-NE hereunder, which record shall include a summary of the hours worked by each individual. The books of account and record of hours worked shall be made available for inspection by ISO-NE.

ARTICLE 4 – REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of ISO-NE. ISO-NE represents and warrants to the EMM that ISO-NE has full power and authority to enter into this Agreement and to perform its obligations hereunder, and that execution of this Agreement will not violate any other agreement with a third party. The person signing this Agreement on behalf of ISO-NE has been properly authorized and empowered to enter into this Agreement.

Section 4.2. Representations of the EMM. The EMM represents, warrants and covenants to ISO-NE that:

(a) The EMM has full power and authority to enter into this Agreement and to perform the Services hereunder. Execution of this Agreement will not violate any other agreement with a third party. The person signing this Agreement on behalf of the EMM has been properly authorized and empowered to enter into this Agreement.

(b) All Work Product developed or to be developed by the EMM to perform the Services does not, or when developed, will not, infringe upon or violate any issued U.S. patent or the copyrights, trade secrets, trademarks or other proprietary rights of any third party, and is free of all liens and encumbrances.

(c) All software programs, hardware, processes, or databases licensed by the EMM from third parties do not infringe upon or violate any issued U.S. patent or the copyrights, trade secrets, trademarks or other proprietary rights of any third party.

(d) There are no pending or threatened suits, legal proceedings, claims or governmental investigations against or with respect to the EMM relating to Work Product or any

licensed software programs, hardware, processes or databases intended to be used by the EMM to perform the Services.

(e) The EMM has not received any notice of any claim of infringement or violation of any third party's copyrights, patents, trade secrets, trademarks or other proprietary rights relating to any Work Product or licensed software, hardware, processes or databases intended to be used by the EMM to perform the Services.

(f) The EMM has all rights necessary, pursuant to written agreements with its employees, consultants, contractors, agents and representatives, as applicable, to secure for ISO-NE the rights to be secured by the EMM for ISO-NE under this Agreement.

(g) The EMM acknowledges that the foregoing representations and warranties shall be continuing, and agrees to promptly inform ISO-NE in writing should any of the foregoing become untrue.

ARTICLE 5 – OWNERSHIP OF WORK PRODUCT

Section 5.1. Rights to Work Product, Documentation, etc. (a) The EMM acknowledges and agrees that all Work Product shall belong to and be the sole property of ISO-NE or any other entity or entities designated by it, as a “work made for hire” by the EMM pursuant to this Agreement; provided that control of the Work Product shall comply with the regulatory requirements of the Commission. The EMM shall ensure that its employees and subcontractors who are involved in the provision of the Services assign in writing to ISO-NE all copyrights, rights of trade secret and other intellectual property rights which they may have or claim in and to any such Work Product. To the extent any Work Product, however, is deemed not to be a “work made for hire” by the EMM for ISO-NE, or if ownership of all right, title and interest in any intellectual property rights therein shall not be deemed to vest exclusively in ISO-NE, the EMM hereby assigns to ISO-NE its entire right, title and interest in and to all such Work Product. To the extent that any Work Product contains works or portions of works owned in whole or in part by any third party, the EMM hereby grants to ISO-NE an irrevocable, nonexclusive, transferable, worldwide, royalty-free license to use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon, such works.

(b) ISO-NE or any other entity or entities designated by it shall be the sole owner of all domestic and foreign rights pertaining to the Work Product. The EMM further agrees as to all Work Product to assist ISO-NE in every way (at ISO-NE's expense) to obtain and from time to time enforce patents, copyrights or equivalent intellectual property rights on Work Product in any and all countries. To that end, by way of illustration but not limitation, the EMM will testify in any suit or other proceeding involving any Work Product, execute all documents which ISO-NE reasonably determines to be necessary or convenient for use in applying for and obtaining patents or copyrights thereon and enforcing the same, and execute all necessary assignments thereof to ISO-NE or persons designated by it. In the event ISO-NE is unable, after reasonable effort, to secure signatures of the EMM on any document or documents needed to apply for or prosecute any patent, copyright, or other right or protection, for any reason whatsoever, the EMM hereby irrevocably designates and appoints ISO-NE and its duly authorized officers and agents as its agent and attorney-in-fact to act for and on its behalf to execute and file any such

application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by the EMM. The EMM will, by appropriate written agreement with each of its employees who work on the ISO-NE account, ensure similar cooperation from each such employee.

(c) The EMM acknowledges that ISO-NE from time to time may have agreements with other persons or with the United States Government, or agencies thereof, that impose obligations or restrictions on ISO-NE regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. The EMM agrees to be bound by all such obligations and restrictions that are known to the EMM and to take all action necessary to discharge the obligations of ISO-NE under such agreements.

Section 5.2. Ownership of EMM Software. Title and ownership to the EMM Software and other proprietary information and processes and any works that do not constitute Work Product shall remain and belong to and be vested in the EMM. The EMM reserves all rights in its software and its proprietary information not expressly granted to ISO-NE in this Agreement.

ARTICLE 6 – COVENANTS

Section 6.1. No Use of ISO-NE Work Product. The EMM covenants that it will not use (or permit the use of) any Work Product for the EMM's own use or for the use of any person other than ISO-NE, nor will the EMM use or make available to any person other than ISO-NE any part of the Work Product, except as provided in this Agreement or as agreed to in writing by ISO-NE.

Section 6.2. Export Regulations. The EMM acknowledges its obligations to control access to technical data under the U.S. Export Laws and Regulations and agrees to adhere to such laws and regulations with regard to any technical data received under this Agreement.

Section 6.3. Adherence to Laws. (a) The EMM agrees that in carrying out its duties and responsibilities under this Agreement, it will make itself familiar with and knowledgeable about any rules or regulations of state or governmental regulatory agencies having jurisdiction over ISO-NE, including FERC's guidelines, and will adhere to such laws, rules and regulations in performing the Services.

(b) The EMM agrees that in carrying out the Services and its other duties and responsibilities under this Agreement, it will comply with all laws, and will neither undertake nor cause, nor permit to be undertaken, any activity which either (i) is illegal under any laws, decrees, rules or regulations in effect in the United States, any state or municipality; or (ii) would have the effect of causing ISO-NE to be in violation of any laws, decrees, rules or regulations in effect in the United States.

Section 6.4. Confidentiality. (a) The EMM shall not, at any time during or after the term of this Agreement, in any manner, either directly or indirectly, divulge, disclose, or

communicate to any person, firm, corporation or other entity, or use for its own benefit or for the benefit of any person, firm, corporation or other entity, any Confidential Information acquired from ISO-NE, without the express prior written consent of ISO-NE. In addition, the EMM shall ensure that its employees and subcontractors abide by the terms and conditions contained herein. The EMM agrees that it shall be liable for any breach of this Agreement by its employees and subcontractors. The EMM shall not disclose any Confidential Information to anyone except to officers and employees of the EMM and to its outside consultants, advisers and/or attorneys, in each case who have a need to know and who have been advised of the confidential nature of the Confidential Information and who have agreed to abide by the terms of this Agreement.

(b) This provision shall not apply to any information received by the EMM which:

(i) can be demonstrated by reasonably documented proof to have been in the possession of the EMM prior to receipt thereof from ISO-NE without any obligation of confidentiality or to have been developed in the course of work entirely independent of any disclosure made hereunder or the subject matter of this Agreement;

(ii) is or becomes part of the public domain other than through breach of this Agreement or through the fault of the EMM, provided, however, that information shall not be disqualified as Confidential Information (A) merely because it is embraced by more general or generic information which is in the public domain or available from a third party, or (B) if it can only be reconstructed from information taken from multiple sources, none of which individually shows the whole combination (with matching degree of specificity); or

(iii) is or becomes available to the EMM from a source other than the EMM which source has no obligation to ISO-NE in respect thereof.

(c) In the event that any Confidential Information is required to be disclosed by subpoena, law or other directive of a court, administrative agency or arbitration panel, the EMM hereby agrees to provide ISO-NE with prompt notice of such request or requirement in order to enable ISO-NE to (i) seek an appropriate protective order or other remedy, (ii) confer with the EMM with respect to taking steps to resist or narrow the scope of such request or legal process, or (iii) waive compliance, in whole or in part, with the terms of this Section. The EMM hereby agrees to furnish only that portion of the Confidential Information which the EMM's counsel advises is legally required and to exercise best efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

(d) The obligations of the parties set forth in this Section shall survive the termination or completion of this Agreement.

Section 6.5. EMM's Insurance Requirements. The EMM, at no expense to ISO-NE, shall obtain and maintain in effect insurance policies providing at least the following coverage: (i) professional errors and omissions insurance against errors or omissions by the EMM and its employees, officers, directors, agents, consultants or representatives, and (ii) comprehensive general liability insurance against any and all liability for injury to or death of a person, or

persons, and for damage to or destruction of property occasioned by or arising out of or in connection with the presence at the premises of ISO-NE of the EMM, its employees, agents and servants, and the business conducted within such premises by the EMM, its employees, agents and servants, including contractual indemnity coverage for the EMM's indemnity obligations to ISO-NE, to afford protection with limits, in the aggregate, of at least \$1,000,000 each person and \$2,000,000 each occurrence. The EMM shall also maintain workers' compensation or other similar insurance offering statutory coverage and containing statutory limits, and any other insurance reasonably required by ISO-NE from time to time. Such policy or policies shall be on an occurrence, rather than claims-made, basis. The EMM shall have its policies (other than workers' compensation or similar insurance) name ISO-NE as an additional insured, and shall have its policies contain a provision stating that such policy or policies shall not be cancelled or materially altered except after thirty (30) days' written notice to ISO-NE. The EMM shall furnish to ISO-NE a certificate of insurance, reflecting ISO-NE as an additional insured, upon the execution of this Agreement.

Section 6.6. Prohibited Engagements and Conduct.

(a) None of the EMM, any EMM Affiliate or the EMM personnel listed on Exhibit B shall:

- i. own, control or have the power to vote any securities of a Market Participant or an affiliate of any Market Participant;
- ii. provide services relating to any litigation, open regulatory docket, alternative dispute resolution procedure, or arbitration with ISO-NE;
- iii. provide any services to a single-state or multi-state agency within New England;
- iv. provide any services to a Market Participant, an affiliate of a Market Participant, or ISO-NE;
- v. have any other type of relationship with a single-state or multi-state agency within New England, a Market Participant or an affiliate of a Market Participant, except related to the EMM's own consumption of electricity, or, except as set forth in this Agreement, with ISO-NE;
- vi. provide advice, or undertake a matter for or on behalf of, any entity regarding any entity's participation or potential participation in the New England Electricity Markets; or
- vii. accept any gift, loan (other than on standard commercial terms from a vendor of financial services) or other item of value from a state agency within New England, a Market Participant, an affiliate of a Market Participant, or ISO-NE.

(b) ISO-NE acknowledges that the EMM provides independent monitoring services for other independent system operators and regional transmission organizations, and that the provision of such services does not violate the terms of this Section 6.6.

(c) Further, notwithstanding any other provision of this Section 6.6, ISO-NE acknowledges that the EMM provides independent monitoring services pursuant to FERC-approved monitoring plans. The provision of such services shall not violate the terms of this Section 6.6, provided that (i) annual revenues from each engagement to monitor Governance Participants or their affiliates do not constitute more than 10% of the EMM's anticipated annual revenues, (ii) the EMM provides ISO-NE written notice if the annual revenues from engagements to monitor Governance Participants or their affiliates, in the aggregate, are projected to exceed 20% of the EMM's anticipated annual revenues, (iii) the EMM provides ISO-NE written notice before accepting any engagement to monitor a Governance Participant or affiliate, (iv) no data generated by ISO-NE or the EMM as part of the provision of Services pursuant to this Agreement is utilized in the provision of such services, and (v) no additional advice, consulting or other services are provided beyond those specified in the monitoring plans.

Section 6.7. Access to Data. As required by Section III.A.1.3 of the Tariff, the parties agree that the EMM shall have access to ISO-NE's data, resources and personnel sufficient to allow the EMM to perform the functions outlined in the Tariff and this Agreement. This access shall include access to any confidential market information that ISO-NE receives from another independent system operator or regional transmission organization subject to the Commission's jurisdiction, or its market monitor, as part of an investigation to determine (a) if a Market Violation is occurring or has occurred, (b) if market power is being or has been exercised, or (c) if a market design flaw exists. In addition, the EMM shall have full access to the ISO's electronically generated information and databases and shall have exclusive control over any data created by the EMM. The EMM may share any data created by it with ISO-NE, which shall maintain the confidentiality of such data in accordance with the terms of the ISO New England Information Policy.

Section 6.8. Security. The parties agree that physical and cyber security is critical to ISO-NE's operations. Accordingly, the parties agree to the following security provisions:

(a) At all times during the term of this Agreement, the EMM shall maintain administrative, technical and physical safeguards, including proper information disposal procedures, to ensure the security, confidentiality and integrity of its software (object and source code), systems and facilities, and ISO-NE's Confidential Information, data and equipment, and to protect all of the foregoing against any threats or hazards, including, without limitation, unauthorized access or use. The EMM shall, at its sole expense, take appropriate actions, including reasonable actions the ISO-NE may request, to address any actual or apparent breach of security, including providing prompt notification to the ISO-NE of any such incident.

(b) The EMM will periodically (but not less than annually) review and update its security procedures. The EMM shall promptly provide ISO-NE with information regarding such security measures upon the reasonable request of ISO-NE or its designee, which information shall include, but not be limited to, any Service Organization Controls report covering the

EMM's operations, and any other audit reports, summaries of test results or equivalent measures or evaluations taken by the EMM with respect to its security measures.

(c) Upon reasonable notice and during normal business hours, ISO-NE, including its consultants and/or internal auditors, shall have the right to go onto the EMM's property or web site to evaluate the EMM's physical and logical security, business continuity plan, change/configuration management processes and vulnerability/patch management processes. The EMM shall provide information reasonably necessary for ISO-NE and its agents to complete their security evaluation. The EMM shall comply and demonstrate compliance with any reasonable written recommendations resulting from ISO-NE's physical and logical security evaluation of the EMM, subject to an agreement between ISO-NE and the EMM regarding which party shall incur the costs of implementing any recommendation that is a material new requirement.

(d) The EMM shall prepare a written "business continuity plan" that includes a "disaster recovery plan" describing the specific, detailed actions to be taken by the EMM to ensure the continued supply of the Services to ISO-NE pursuant to the requirements of this Agreement in the event of any Force Majeure event or other reasonably possible disruption in the EMM's ability to perform its obligations under this Agreement (the "Plan"). The Plan shall address the unavailability of material third party software for any reason, including the insolvency of the licensor of the third party software or the termination or expiration of the EMM's rights in such Third Party Software; notwithstanding the foregoing, the only current material third party software is SAS and the parties agree that there is no reasonable contingency plan at this time for the unavailability of SAS. The Plan shall be updated at least annually by the EMM, in order to improve the EMM's ability to be prepared for any problem, and such updates shall be provided to ISO-NE for review and feedback.

ARTICLE 7 – TERMINATION

Section 7.1 Term. The term of this Agreement shall end on December 31, 2019, unless terminated earlier as provided herein.

Section 7.2. Termination. (a) In the event that either party to this Agreement passes a resolution to wind-up, suffers a winding-up order to be made for any reason, is dissolved, becomes insolvent or falls into receivership, commits an act of bankruptcy or is adjudicated bankrupt by a court of competent jurisdiction, or ceases to carry on business for any reason whatsoever, the other party hereto shall have the right to terminate this Agreement immediately.

(b) ISO-NE may terminate this Agreement upon thirty (30) days' written notice to the EMM.

(c) If the EMM assigns or transfers this Agreement or any right or obligation hereunder in violation of Section 9.1, or reassigns any of the employees listed on Exhibit B, ISO-NE shall have the exclusive option of (i) continuing under the terms and conditions of the Agreement, (ii) continuing under the terms and conditions of the Agreement with the EMM or its successors or assigns for such period of time as is necessary to replace the EMM's services, or (iii) immediately terminating the Agreement.

(d) Either party may terminate this Agreement immediately in the event that the other party shall be in material breach of any representation, warranty, covenant, term or condition of this Agreement and shall fail to remedy such breach within seven (7) days after receiving written notice thereof from the other party.

(e) Notwithstanding the foregoing, no termination of this Agreement shall be effective until the FERC has approved such termination pursuant to a filing by one or both of the parties hereto.

Section 7.3. Obligations on Termination. Upon termination of this Agreement: ISO-NE shall pay to the EMM all payments due and owing through the termination date that are not in dispute pursuant to this Agreement; and the EMM shall deliver all Confidential Information and Work Product, in any form, to ISO-NE. The other provisions hereof shall survive in accordance with Section 9.3.

ARTICLE 8 – INDEMNIFICATION

Section 8.1. Indemnification. Each party shall indemnify and hold harmless the other, its directors, officers, employees and agents, from and against any claims, demands, losses, damages or expenses (or actions in respect thereof asserted by any third party), including, without limitation, attorneys' fees, relating to any breach of the indemnifying party's representations, warranties or covenants in this Agreement. Additionally, each party shall indemnify and hold harmless the other, its directors, officers, employees and agents, from and against any claims, demands, losses, damages or expenses (or actions in respect thereof asserted by any third party), including, without limitation, attorneys' fees, relating to any injury to any person or damage or loss of any property incurred to the extent arising from the negligent act or omission or willful misconduct of the indemnifying party done in the course of fulfilling the terms of this Agreement.

Section 8.2. Injunctions and Other Equitable Relief. Notwithstanding the foregoing, the parties specifically reserve the right to seek a temporary judicial restraining order, preliminary or permanent injunction, or other similar equitable relief with respect to (i) violations of confidentiality and intellectual property provisions of this Agreement, (ii) any failures by the parties to comply with any applicable post-termination obligations for which monetary compensation would not be adequate, (iii) to preserve the status quo or prevent irreparable harm. The jurisdiction and venue for any such action shall be governed by Section 9.8 hereof.

ARTICLE 9 – MISCELLANEOUS

Section 9.1. Assignment. This Agreement shall inure to the benefit of the parties and their respective successors and assigns. Notwithstanding the foregoing, the EMM shall not be entitled to assign this Agreement without the prior written consent of ISO-NE and any such assignment shall be deemed void. For purposes of this Agreement, assignment shall be deemed to include merger of the EMM, transfer of 50% or more of the equity interests in the EMM, or operation of law.

Section 9.2. Notice. Using the contact information below, any notice given hereunder shall be in writing and (i) given by personal delivery, (ii) sent by prepaid registered or certified mail, postage prepaid, or by reputable overnight courier service, in each case addressed to the addressees set forth below, or (iii) transmitted by facsimile or email. Any notice so given shall be deemed received as follows: if sent by registered or certified mail, on the third business day next following the mailing thereof; if sent by reputable overnight courier service, on the next business day; or, if transmitted by facsimile or email, on the business day following the sender's confirmation of receipt. Either party may change its address hereunder by giving written notice of such change to the other party in the manner provided above.

If to the EMM:

Potomac Economics, Ltd.
9990 Fairfax Boulevard, Suite 560
Fairfax, VA 22030
Tel: (703) 383 6270
Fax: (703) 383 0796
Email: dpatton@potomaceconomics.com

If to ISO-NE:

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
ATT: General Counsel
Tel: 413-535-4000
Fax: 413-535-4379
Email: rhepper@iso-ne.com

Section 9.3. Survival. The representations, warranties and covenants contained in this Agreement shall survive the termination of this Agreement, regardless of any investigation or due diligence inquiry that may have been made on behalf of the party for whose benefit the representations, warranties and covenants were made.

Section 9.4. Further Assurances. The parties agree to cooperate with and assist each other and take such action as may be reasonably necessary to implement and carry into effect this Agreement to its full extent.

Section 9.5. Counterparts. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Section 9.6. Independent Contractor. The parties to this Agreement are each an independent contractor as to the other and shall not be considered or deemed to be an agent, employee, joint venturer or partner of the other. Neither party shall have authority to contract for or bind the other in any manner and shall not represent itself as an agent of the other or as otherwise authorized to act for or on behalf of the other.

Section 9.7. Waiver. Any term or provision of this Agreement may be waived only in writing by the party or parties who are entitled to the benefits being waived. No waiver by any party shall operate as a waiver of any future exercise of that right, nor shall any single or partial exercise of any right hereunder preclude any other or future exercise of that right or any other right hereunder. All rights and remedies evidenced hereby are in addition to and cumulative to rights and remedies available at law.

Section 9.8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without (i) reference to the choice of law principles thereof, or (ii) regard to any presumption or rule requiring construction or interpretation against the party drafting or causing this Agreement to be drafted. Any action commenced with respect to this Agreement shall be brought in a court of competent jurisdiction of the Commonwealth of Massachusetts, to which the parties hereby consent.

Section 9.9. Entire Agreement. This Agreement and Exhibits contain the entire agreement between the EMM and ISO-NE with respect to the subject matter hereof and thereof and supersede all prior agreements, negotiations and representations, written or oral, as of the date of this Agreement. Except as provided herein, there are no conditions, representations, warranties, undertakings or agreements between the parties whether direct, indirect, collateral, express or implied. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by both parties.

Section 9.10. Number and Gender. Words importing the singular include the plural and vice versa and words importing gender include both genders.

Section 9.11. Headings. The Article and Section headings contained herein are included solely for convenience, are not intended to be full or accurate descriptions of the contents thereof and shall not be considered part of this Agreement or to affect the interpretation hereof.

Section 9.12. Severability. The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any such invalid or unenforceable provision or covenant shall be deemed severed.

Section 9.13. Force Majeure. Neither the EMM nor ISO-NE shall be liable to each other for any delay or failure to perform its obligations hereunder due to strikes, labor disputes, riots, storms, floods, explosions, acts of God or war (a "Majeure Event"). Each party shall give to the other party notice in writing promptly after such party becomes aware of any such delay as a result of a Majeure Event.

[The next succeeding page is a signature page.]

IN WITNESS WHEREOF, the parties hereto have executed this EMM Services Agreement as of the date first written above.

POTOMAC ECONOMICS, LTD.

By: 

David Patton
President

ISO NEW ENGLAND INC.

By: 

Robert C. Ludlow
Vice President, Chief Financial Officer and Compliance 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 Tariff. As set forth in Section III.A.1.2 of the Tariff, any limitation or modification to this Scope of Work shall be subject to the prior approval of FERC.

A. Relationship with ISO-NE

The EMM reports directly to the Markets Committee of the ISO-NE Board of Directors. David Patton, or an acceptable designee when he is unavailable (which the parties agree shall not occur more than twice per year barring exceptional circumstances), shall attend all meetings of the Markets Committee to report on the EMM's work, and participate in preparatory meetings with ISO-NE staff before each Markets Committee meeting. The EMM 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 document in a form to be agreed by the parties that outlines the EMM's reaction to the IMM's monthly report and identifies any significant concerns identified through the EMM's data analysis.

B. Required Functions of the External Market Monitor Per the Tariff

The EMM shall continue to meet the obligations set forth in Appendix A of the Tariff (Section III.A). These obligations include, but are not limited to:

1. Review of Market Competitiveness and Design: As set out in Section III.A.2.2 of the Tariff, the EMM shall review the competitiveness of the markets. Without limitation, this review shall include proposed market rule changes that are identified by ISO-NE. The EMM shall comment on market designs and filings under development, and make recommendations to improve the competitiveness of the markets and the efficiency of trade between regions.

To facilitate the fulfillment of this responsibility:

- the ISO will provide proposed market designs to the EMM for review, and, following ongoing consultation between the ISO and EMM, the EMM will respond with a final written opinion on the design within a reasonable time frame that has been agreed upon by the EMM and the ISO.
- the IMM will provide the EMM with its monthly, quarterly and annual market performance reports for the EMM's review and comment.

2. Reporting: The EMM shall continue to make the reports described in Appendix A of the Tariff. Without limitation, as set out in Section III.A.17.3 of the

Tariff, these reports will include annual reports on the overall competitiveness and efficiency of the markets, including the activities of the ISO and Market Participants and the effectiveness of Section III.A of the Tariff. Ad hoc reports referenced in Appendix A of the Tariff are not included this Scope of Work, but are included as Other Services under this Agreement. It is anticipated that a significant element of the EMM's annual report will be a comparison of the functioning of the New England markets with other U.S. electricity markets. The EMM will coordinate its annual report with the IMM's annual report.

3. Mitigation Review: As set out in Section III.A.2.2(d) of the Tariff, the EMM will continue to monitor and review the quality and appropriateness of the mitigation conducted by the IMM.

4. Referrals to Enforcement: The EMM shall continue to make referrals to the Commission and to other relevant authorities as required in Appendix A. Without limitation, as set out in Sections III.A.19 and III.A.20 of the Tariff, the EMM will refer any suspected Market Violation by either ISO-NE or a Market Participant that warrants investigation, any suspected market design flaw, or any problem with the quality or appropriateness of market power mitigation.

C. **Data and Security**

As required by the Tariff, the parties agree that the EMM shall have reasonable access to ISO-NE's data and personnel, including ISO-NE management responsible for market monitoring, operations and billing and settlement functions. The EMM shall have the ability to receive ISO-NE's data in a secure manner, as discussed in more detail in Section 6.8 of the Agreement. In particular, the EMM shall: (i) maintain administrative, technical and physical safeguards, including proper information disposal procedures; (ii) at least annually review and update its security procedures; and (iii) prepare a written business continuity plan that includes a disaster recovery plan. ISO-NE shall be entitled to review the EMM's security measures and related audit results, and shall have the right to evaluate the EMM's physical and logical security itself.

EXHIBIT B

PERSONNEL

Personnel (with 2016 hourly rate, for reference):

| | |
|-----------------------|-------|
| David Patton | \$485 |
| Michael Wander | \$330 |
| Robert Sinclair | \$375 |
| Pallas Lee VanSchaick | \$360 |
| Michael Chiasson | \$340 |
| Jason Fogarty | \$335 |
| Jie Chen | \$335 |
| Kelvin Green | \$290 |
| Matthew Carrier | \$285 |
| Doug Lassiter | \$280 |
| Mark Lassiter | \$280 |
| Raghu PalavadiNaga | \$265 |
| Carrie Milton | \$270 |
| Max Epstein | \$265 |
| John Patton | \$260 |
| Paul Allen | \$255 |
| Arjun Garg | \$235 |
| Yong Tang | \$235 |
| Tao Qin | \$235 |
| Craig Brown | \$235 |

EXHIBIT C

REIMBURSEMENT RATES

Expenses shall be reimbursed by ISO-NE at 100% of cost, and mileage shall be reimbursed at the standard imposed by the IRS. Reimbursements for expenses shall not exceed 10% of the total fees for Services paid by ISO-NE pursuant to Section 3.1.

The parties agree that overnight travel shall be limited as follows:

- The Consultant will use best efforts to secure lowest cost airline fares.
- The Consultant will consult with ISO-NE (telephone or email consultations are acceptable) regarding each trip to discuss the minimization of expenses.
- All Invoices will include Purchase Order Number, and will be sent to Accounts Payable. Detailed Receipts will be provided for all meals and any charges of \$10.00 or more.
- Hotels and Meals will be capped based on GSA Rates. Meals for any day while working in Holyoke will not exceed \$51.00. (GSA Standard.) ISO does not reimburse for alcoholic beverages.

Holyoke

The “D” Hotel (formerly Country Inn) Northampton St., Holyoke, MA

Phone: 413-533-2100 Fax : 413-539-9761 \$ 81.00 Per Night ISO Rate

The hotel web site is: www.stayattheD.com

The direct ISO link for reservations is:

<https://res.windsurfercrs.com/bbe/page1.aspx?pcode=SC031&propertyid=13046&rate=ISO>

Guests can use the direct link or simply go to the web site and enter “ISO” as a corporate code under “Additional Options”.

Homewood Suites by Hilton ISO-NE Corp ID # 0002653660

Holyoke/Springfield-North

375 Whitney Ave, Holyoke, MA 01040

Phone (413) 532-3100 Fax (413) 532-3150

Ask for ISO New England Rate 1-4 Nights \$ 129/night, 5-11 Nights \$ 114/Night

<http://homewoodsuites.hilton.com/en/hw/reservations/index.jhtml?hotel=HOLHWHW&corporateCode=0002653660>

Springfield

Springfield Marriott, 1500 Main St., Springfield, MA

Phone: 413-750-3019

"Consultant Rate": **\$105.00 per night** (weekdays) Parking \$ 16 per night

Sheraton Springfield Monarch Place Hotel
1 Monarch Place, Springfield, MA 01144
Director of Business Travel Sales
Phone: 413.263.2024 Fax: 413.732.7560
ISO-NE Rate: **\$92.50** per night

Northampton

Hotel Northampton, 36 King St. Northampton, MA 01060
ISO NE has a rate code **VS1217** \$ 109+ plus tax standard rooms.
Discounted rates are good Sunday thru Thursday based on availability

West Springfield, MA

***Hampton Inn West Springfield**

Stacey Warren, Director of Sales
Tel: 413-732-8746
Fax: 413-732-9883
ISO-NE Rate: **\$82.00**

https://secure.hilton.com/en/hp/res/choose_dates.jhtml;jsessionid=DVVVIY4XRWDJWCSGBIY222Q?hotel=SPFRDHX&corporateCode=%200560075918&requestid=51410

* These are our preferred hotels. They are within the closest proximity to ISO headquarters and are our first choice for your stay. The others are available if for some reason the preferred hotels are not available. Hotel expenses will be reimbursed based on these rate standards for all accommodations required while working at ISO's Holyoke, MA location.

Suggested Rental Cars:

Enterprise Rent-A-Car – For Local Rentals in MA or at Bradley Airport (BDL)

West Springfield Office Reservations : 413-785-5002, (will deliver to ISO-NE).
Bradley Airport & other WMass Offices: 800-243-3722
Corporate ID. # 48A5636
Daily Compact \$ 33./Day, Mid \$39./Day Unlimited Miles
Weekly Compact \$ 199.00/ week, Mid 220.00/week** Unlimited Miles
Monthly Compact \$ 590.00/month, Mid \$ 725.00/month includes 3,000 Miles

Budget Rent a Car – For Airport and any other Auto Rentals

Budget Corporate Discount (BCD) # U316562

Reservations at www.budget.com or via phone at 1-800-527-0700

Attachment 2

IMMU SERVICES AGREEMENT

THIS IMMU SERVICES AGREEMENT (the “Agreement”) is made as of this 1st day of January, ~~2009~~2017, by and between ~~Potomac Economics, Ltd.~~POTOMAC ECONOMICS, LTD. (the “~~Independent External Market Monitoring Unit~~Monitor” or “IMMU”), and ISO New England Inc., a non-stock corporation incorporated under the laws of the State of Delaware (“ISO-NE”).

WHEREAS, ISO-NE has determined it requires the services of the IMMU, as outlined in this Agreement, to support the operations of ISO-NE; and

WHEREAS, in connection therewith, the IMMU is willing to provide services as more fully set forth in this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the IMMU and ISO-NE covenant and agree as follows:

ARTICLE 1 – DEFINITIONS

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings indicated below:

“**Agreement**” has the meaning set forth in the recitals.

“**Commission**” or “**FERC**” means the Federal Energy Regulatory Commission.

“**Confidential Information**” means the following except to the extent excluded under Section 6.4 below: (a) all information about ISO-NE, its vendors or any GovernanceMarket Participant, whether furnished before or after the date hereof, whether oral, written or recorded/electronic, and regardless of the manner in which it is furnished; (b) all reports, summaries, compilations, analyses, notes or other information which are based on, contain or reflect any Confidential Information; (c) any and all Confidential Information, as that term is defined in the ISO New England Information Policy, ~~a copy of which is attached hereto as Exhibit D~~which is located at http://www.iso-ne.com/static-assets/documents/regulatory/tariff/attach_d/attachment_d.pdf; and (d) any information which, if disclosed by a transmission function employee of a utility regulated by the FERC to a market function employee of the same utility system, other than by public posting, would violate the FERC’s open access same time information regulations.

~~“**Contract Rates**” means the negotiated rates of compensation of the IMMU set forth on Exhibit B attached hereto. The rates for Senior Staff are subject to adjustment not more than once each calendar year, with notice to ISO-NE, by a percentage not to exceed the percentage increase in the consumer price index (CPI-U for all items) for the prior calendar year.~~

~~“Governance Participant” has the meaning set forth in the Participants Agreement between ISO-NE and the New England Power Pool.~~

~~“IMMU”~~“EMM” has the meaning set forth in the recitals.

~~“IMMU~~EMM Affiliate” means any entity that controls, is controlled by or is under common control with the ~~IMMU~~EMM.

~~“EMM Software” means software used by the EMM to perform its monitoring function or produce the analyses contained in the products and deliverables provided to ISO-NE.~~

~~“ISO-NE”~~ has the meaning set forth in the recitals.

~~“Majeure Event”~~ has the meaning set forth in Section 9.13.

~~“Market Advisor Services”~~means Participant” has the ~~services outlined~~meaning set forth in the ~~Scope of Work, with the exception of Other Services~~Tariff.

~~“Markets Committee”~~ means the Markets Committee of ISO-NE’s Board of Directors.

~~“Other Services”~~” means: ~~(i) those Services described in Sections C(iv) – (v) of the Scope of Work; (ii) any reports prepared at the Committee’s request or other ad hoc reports (other than the annual report), as described in Section B(ii)–(iii) of the Scope of Work; and analysis, analyses or filings produced by the EMM, or reports, analyses, affidavits, filings, or testimony requested by and approved by the Markets Committee or ISO-NE’s General Counsel.~~

~~“Reimbursement Rates”~~ means the negotiated rates of reimbursement of the ~~IMMU~~EMM set forth on Exhibit C attached hereto.

~~“Scope of Work”~~ means the Scope of Work attached hereto as Exhibit A.

~~“Services”~~ has the meaning set forth in Section 2.1.

~~“Tariff”~~ means ISO-NE’s Transmission, Markets and Services Tariff.

~~“Work Product”~~ means any report, analysis, data compilation or database, methodology, processes, protocol, plan, item of documentation or other deliverable developed by the ~~IMMU~~EMM in performing the Services set forth in this Agreement. Work Product shall not include ~~Potomac Economics’~~the EMM Software.

~~“Potomac Economics Software”~~ means software used by the ~~IMMU~~to perform its monitoring function or produce the analyses contained in the products and deliverables provided to ISO-NE.

ARTICLE 2 - SERVICES AND RESPONSIBILITIES OF ~~IMMU~~EMM

Section 2.1. Scope and Delivery of Services. The Scope of Work describes the ~~various primary~~ services and Work Product to be provided by the IMMU~~U~~EMM pursuant to this Agreement, ~~including (the “Services”). The EMM may also provide Other Services and Market Advisor Services (the “Services”)-as described in this Agreement.~~ The parties agree that the IMMU~~U~~EMM shall perform the Services specified in the Scope of Work and Other Services in a timely fashion and in accordance with all relevant delivery dates. ~~The parties agree that the IMMU shall not undertake any Other Services anticipated to result in billings in excess of \$15,000 until (a) the IMMU has presented the Markets Committee or ISO-NE’s General Counsel, in the case of analysis or testimony requested by the General Counsel, with a written estimation of cost and effort, and (b) the Chair of the Markets Committee or ISO-NE’s General Counsel, as applicable, has approved the proposal.~~

Section 2.2. Personnel of IMMU~~U~~EMM. (a) The IMMU~~U~~EMM agrees that it will provide the employees specified ~~in~~ on Exhibit B for the performance of the Services, and that such employees are properly trained and qualified and possess appropriate technical skills and experience for the Services they are to perform. All Services, work and deliverables to be performed hereunder by the IMMU~~U~~EMM shall be performed by qualified personnel in a professional manner, and in accordance with the highest industry standards. The IMMU~~U~~EMM shall, and shall cause its personnel to, work in good faith with ISO-NE’s employees and contractors.

(b) The IMMU~~U~~EMM shall not hire any subcontractor to perform the Services as a whole or in part and shall not reassign, or redefine the roles of, any of the employees listed in Exhibit B, in either case without ISO-NE’s prior written consent. Notwithstanding the foregoing, the IMMU~~U~~EMM shall be responsible for the compliance of any subcontractor with each term of this Agreement.

(c) The IMMU~~U~~EMM shall, and shall cause its personnel to, perform the Services in accordance with all of ISO-NE’s policies, as set forth from time to time. Specifically, the personnel of the IMMU~~U~~EMM specified in Exhibit B shall comply with ISO-NE’s Code of Conduct, which is located at http://www.iso-ne.com/static-assets/documents/aboutiso/corp_gov/bylaws/code_of_conduct.pdf, and shall annually execute the attached as ~~Exhibit E~~ hereto compliance certificate.

(d) The IMMU~~U~~EMM hereby agrees that ISO-NE has the right to perform background checks on the IMMU~~U~~EMM and its employees at any time during the term of this Agreement. The IMMU~~U~~EMM has informed its employees accordingly, and has secured their consent to the performance of such background checks.

(e) The IMMU~~U~~EMM shall be solely responsible for the payment of its employees’ entire compensation and benefits, including employment taxes and workers’ compensation.

ARTICLE 3 – PAYMENTS, RECORDS AND AUDIT RIGHTS

Section 3.1. Payments to IMMUEMM. (a) Invoices. The IMMUEMM shall submit invoices in arrears to ISO-NE (Attn.: Accounts Payable) on a monthly basis. Invoices shall include the following charges:

~~(i) For Market Advisor Services, a monthly fee of \$56,000 per month, provided that this monthly fee may, at the IMMU's option, be increased once each calendar beginning in 2010 and 2011 by a percentage not to exceed the percentage increase in the consumer price index (CPI-U for all items) for the prior calendar year. ISO-NE shall not be responsible for payment for Market Advisor Services rendered under this Agreement in excess of this monthly fee, provided, however, that the IMMU shall remain responsible for the performance of the Market Advisor Services even if its charges, calculated on an hourly basis, would exceed the foregoing fee.~~

~~(ii) Subject to Section 2.1, fees for Other Services in accordance with the Contract Rates or other agreement between the parties.~~

~~(i) ~~(iii)~~ In compensation for all Services, except Other Services, a monthly fixed fee of \$66,000, as adjusted annually to account for inflation; and~~

~~(ii) Authorized, reasonable and documented out-of-pocket expenses, including travel and necessary subscriptions to Platts fuel indices, that were incurred by the IMMUEMM in the performance of the Services, in accordance with the Reimbursement Rates; and~~

~~Invoices must include a description of Other Services rendered on a daily basis, showing the employee rendering the Service, the hours expended, and the employee's hourly rate.~~

~~(iii) ~~(e)~~ Hourly charges at the rates listed on Exhibit B, as adjusted annually to account for inflation, for Other Services, which shall include: (A) Other Services requested by the Markets Committee or ISO-NE's General Counsel, for which the EMM will provide a written estimation of cost and effort that must be approved by the Chair of the Markets Committee or ISO-NE's General Counsel, as applicable; or (B) ad hoc reports or filings by the EMM that it deems warranted per the requirements of the Tariff and Participants Agreement, for which the EMM will provide a written estimation of cost and effort to the Chair of the Markets Committee or ISO-NE's General Counsel, as applicable, before beginning the work. As set out in Sections 9.4.3 and 10.4.2 of the Participants Agreement, such reports may include ad hoc reports prepared on the EMM's own initiative or pursuant to requests by ISO-NE, state public utility commissions or one or more Governance Participants.~~

(b) Taxes. The fees to be paid and expenses to be reimbursed by ISO-NE for the Services performed hereunder shall be inclusive of any applicable sales and use taxes.

(~~dc~~) Payment. ISO-NE will review each invoice and shall pay any undisputed amount thereunder within thirty (30) days of the date of submission of such invoice to ISO-NE. With respect to any invoice submitted by the IMMUEMM, ISO-NE may, without triggering a default

under this Agreement, withhold from any payment otherwise due: (i) any amount incorrectly invoiced, provided that ISO-NE timely informs the IMMU~~E~~MM of the amounts alleged to be incorrectly invoiced and the basis for any such assertion for review, resolution and rebilling purposes; or (ii) any amount in dispute.

(ed) Disclosure. The parties acknowledge that, as required by the Participants Agreement between ISO-NE and the New England Power Pool, the IMMU~~E~~MM budget will be separately identified, included and considered in the overall ISO budget process set forth in Section 12 of the Participants Agreement.

Section 3.2. Records; Final Audit. The IMMU~~E~~MM shall keep and maintain detailed books of account in support of all chargeable hours and reimbursable expenses under this Agreement. Such books shall include without limitation a record of the hours worked by each of the IMMU~~s~~EMM's personnel whose time is billed to ISO-NE hereunder, which record shall include a summary of the hours worked by each individual. The books of account and record of hours worked shall be made available for inspection by ISO-NE.

ARTICLE 4 – REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of ISO-NE. ISO-NE represents and warrants to the IMMU~~E~~MM that ISO-NE has full power and authority to enter into this Agreement and to perform its obligations hereunder, and that execution of this Agreement will not violate any other agreement with a third party. The person signing this Agreement on behalf of ISO-NE has been properly authorized and empowered to enter into this Agreement.

Section 4.2. Representations of the IMMU~~E~~MM. The IMMU~~E~~MM represents, warrants and covenants to ISO-NE that:

(a) The IMMU~~E~~MM has full power and authority to enter into this Agreement and to perform the Services hereunder. Execution of this Agreement will not violate any other agreement with a third party. The person signing this Agreement on behalf of the IMMU~~E~~MM has been properly authorized and empowered to enter into this Agreement.

(b) All Work Product developed or to be developed by the IMMU~~E~~MM to perform the Services does not, or when developed, will not, infringe upon or violate any issued U.S. patent or the copyrights, trade secrets, trademarks or other proprietary rights of any third party, and is free of all liens and encumbrances.

(c) All software programs, hardware, processes, or databases licensed by the IMMU~~E~~MM from third parties do not infringe upon or violate any issued U.S. patent or the copyrights, trade secrets, trademarks or other proprietary rights of any third party.

(d) There are no pending or threatened suits, legal proceedings, claims or governmental investigations against or with respect to the IMMU~~E~~MM relating to Work Product or any licensed software programs, hardware, processes or databases intended to be used by the IMMU~~E~~MM to perform the Services.

(e) The IMMUEMM has not received any notice of any claim of infringement or violation of any third party's copyrights, patents, trade secrets, trademarks or other proprietary rights relating to any Work Product or licensed software, hardware, processes or databases intended to be used by the IMMUEMM to perform the Services.

(f) The IMMUEMM has all rights necessary, pursuant to written agreements with its employees, consultants, contractors, agents and representatives, as applicable, to secure for ISO-NE the rights to be secured by the IMMUEMM for ISO-NE under this Agreement.

(g) The IMMUEMM acknowledges that the foregoing representations and warranties shall be continuing, and agrees to promptly inform ISO-NE in writing should any of the foregoing become untrue.

ARTICLE 5 – OWNERSHIP OF WORK PRODUCT

Section 5.1. Rights to Work Product, Documentation, etc. (a) The IMMUEMM acknowledges and agrees that all Work Product shall belong to and be the sole property of ISO-NE or any other entity or entities designated by it, as a “work made for hire” by the IMMUEMM pursuant to this Agreement; provided that control of the Work Product shall comply with the regulatory requirements of the Commission. The IMMUEMM shall ensure that its employees and subcontractors who are involved in the provision of the Services assign in writing to ISO-NE all copyrights, rights of trade secret and other intellectual property rights which they may have or claim in and to any such Work Product. To the extent any Work Product, however, is deemed not to be a “work made for hire” by the IMMUEMM for ISO-NE, or if ownership of all right, title and interest in any intellectual property rights therein shall not be deemed to vest exclusively in ISO-NE, the IMMUEMM hereby assigns to ISO-NE its entire right, title and interest in and to all such Work Product. To the extent that any Work Product contains works or portions of works owned in whole or in part by any third party, the IMMUEMM hereby grants to ISO-NE an irrevocable, nonexclusive, transferable, worldwide, royalty-free license to use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon, such works.

(b) ISO-NE or any other entity or entities designated by it shall be the sole owner of all domestic and foreign rights pertaining to the Work Product. The IMMUEMM further agrees as to all Work Product to assist ISO-NE in every way (at ISO-NE's expense) to obtain and from time to time enforce patents, copyrights or equivalent intellectual property rights on Work Product in any and all countries. To that end, by way of illustration but not limitation, the IMMUEMM will testify in any suit or other proceeding involving any Work Product, execute all documents which ISO-NE reasonably determines to be necessary or convenient for use in applying for and obtaining patents or copyrights thereon and enforcing the same, and execute all necessary assignments thereof to ISO-NE or persons designated by it. In the event ISO-NE is unable, after reasonable effort, to secure signatures of the IMMUEMM on any document or documents needed to apply for or prosecute any patent, copyright, or other right or protection, for any reason whatsoever, the IMMUEMM hereby irrevocably designates and appoints ISO-NE and its duly authorized officers and agents as its agent and attorney-in-fact to act for and on its

behalf to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by the IMMUEMM. The IMMUEMM will, by appropriate written agreement with each of its employees who work on the ISO-NE account, ensure similar cooperation from each such employee.

(c) The IMMUEMM acknowledges that ISO-NE from time to time may have agreements with other persons or with the United States Government, or agencies thereof, that impose obligations or restrictions on ISO-NE regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. The IMMUEMM agrees to be bound by all such obligations and restrictions that are known to the IMMUEMM and to take all action necessary to discharge the obligations of ISO-NE under such agreements.

Section 5.2. Ownership of IMMUEMM Software. Title and ownership to the Potomac EconomicsEMM Software and other proprietary information and processes and any works that do not constitute Work Product shall remain and belong to and be vested in the IMMUEMM. The IMMUEMM reserves all rights in its software and its proprietary information not expressly granted to ISO-NE in this Agreement.

ARTICLE 6 – COVENANTS

Section 6.1. No Use of ISO-NE Work Product. The IMMUEMM covenants that it will not use (or permit the use of) any Work Product for the IMMUEMM's own use or for the use of any person other than ISO-NE, nor will the IMMUEMM use or make available to any person other than ISO-NE any part of the Work Product, except as provided in this Agreement or as agreed to in writing by ISO-NE.

Section 6.2. Export Regulations. The IMMUEMM acknowledges its obligations to control access to technical data under the U.S. Export Laws and Regulations and agrees to adhere to such laws and regulations with regard to any technical data received under this Agreement.

Section 6.3. Adherence to Laws. (a) The IMMUEMM agrees that in carrying out its duties and responsibilities under this Agreement, it will make itself familiar with and knowledgeable about any rules or regulations of state or governmental regulatory agencies having jurisdiction over ISO-NE, including FERC's guidelines, and will adhere to such laws, rules and regulations in performing the Services.

(b) The IMMUEMM agrees that in carrying out the Services and its other duties and responsibilities under this Agreement, it will comply with all laws, and will neither undertake nor cause, nor permit to be undertaken, any activity which either (i) is illegal under any laws, decrees, rules or regulations in effect in the United States, any state or municipality; or (ii) would have the effect of causing ISO-NE to be in violation of any laws, decrees, rules or regulations in effect in the United States.

Section 6.4. Confidentiality. (a) The IMMUEMM shall not, at any time during or after the term of this Agreement, in any manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, corporation or other entity, or use for its own benefit or for the benefit of any person, firm, corporation or other entity, any Confidential Information acquired from ISO-NE, without the express prior written consent of ISO-NE. In addition, the IMMUEMM shall ensure that its employees and subcontractors abide by the terms and conditions contained herein. The IMMUEMM agrees that it shall be liable for any breach of this Agreement by its employees and subcontractors. The IMMUEMM shall not disclose any Confidential Information to anyone except to officers and employees of the IMMUEMM and to its outside consultants, advisers and/or attorneys, in each case who have a need to know and who have been advised of the confidential nature of the Confidential Information and who have agreed to abide by the terms of this Agreement.

(b) This provision shall not apply to any information received by the IMMUEMM which:

(i) can be demonstrated by reasonably documented proof to have been in the possession of the IMMUEMM prior to receipt thereof from ISO-NE without any obligation of confidentiality or to have been developed in the course of work entirely independent of any disclosure made hereunder or the subject matter of this Agreement;

(ii) is or becomes part of the public domain other than through breach of this Agreement or through the fault of the IMMUEMM, provided, however, that information shall not be disqualified as Confidential Information (A) merely because it is embraced by more general or generic information which is in the public domain or available from a third party, or (B) if it can only be reconstructed from information taken from multiple sources, none of which individually shows the whole combination (with matching degree of specificity); or

(iii) is or becomes available to the IMMUEMM from a source other than the IMMUEMM which source has no obligation to ISO-NE in respect thereof.

(c) In the event that any Confidential Information is required to be disclosed by subpoena, law or other directive of a court, administrative agency or arbitration panel, the IMMUEMM hereby agrees to provide ISO-NE with prompt notice of such request or requirement in order to enable ISO-NE to (i) seek an appropriate protective order or other remedy, (ii) confer with the IMMUEMM with respect to taking steps to resist or narrow the scope of such request or legal process, or (iii) waive compliance, in whole or in part, with the terms of this Section. The IMMUEMM hereby agrees to furnish only that portion of the Confidential Information which the IMMUEMM's counsel advises is legally required and to exercise best efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

(d) The obligations of the parties set forth in this Section shall survive the termination or completion of this Agreement.

Section 6.5. IMMU's EMM's Insurance Requirements. The IMMUEMM, at no expense to ISO-NE, shall obtain and maintain in effect insurance policies providing at least the following coverage: (i) professional errors and omissions insurance against errors or omissions by the IMMUEMM and its employees, officers, directors, agents, consultants or representatives, and (ii) comprehensive general liability insurance against any and all liability for injury to or death of a person, or persons, and for damage to or destruction of property occasioned by or arising out of or in connection with the presence at the premises of ISO-NE of the IMMUEMM, its employees, agents and servants, and the business conducted within such premises by the IMMUEMM, its employees, agents and servants, including contractual indemnity coverage for the IMMU's EMM's indemnity obligations to ISO-NE, to afford protection with limits, in the aggregate, of at least \$1,000,000 each person and \$2,000,000 each occurrence. The IMMUEMM shall also maintain workers' compensation or other similar insurance offering statutory coverage and containing statutory limits, and any other insurance reasonably required by ISO-NE from time to time. Such policy or policies shall be on an occurrence, rather than claims-made, basis. The IMMUEMM shall have its policies (other than workers' compensation or similar insurance) name ISO-NE as an additional insured, and shall have its policies contain a provision stating that such policy or policies shall not be cancelled or materially altered except after thirty (30) days' written notice to ISO-NE. The IMMUEMM shall furnish to ISO-NE a certificate of insurance, reflecting ISO-NE as an additional insured, upon the execution of this Agreement.

Section 6.6. Prohibited Engagements and Conduct. ~~None of the IMMU, any IMMU Affiliate or the IMMU personnel listed on Exhibit B shall:~~

~~(a) (a) — None of the EMM, any EMM Affiliate or the EMM personnel listed on Exhibit B shall:~~

~~i. own, control or have the power to vote any securities of ISO-NE, a GovernanceMarket Participant or an affiliate of any GovernanceMarket Participant;~~

~~ii. (b) — provide services relating to any litigation, open regulatory docket, alternative dispute resolution procedure, or arbitration with ISO-NE;~~

~~iii. (c) — provide any services to a single-state or multi-state agency within New England;~~

~~iv. (d) — provide any services to a GovernanceMarket Participant, an affiliate of a GovernanceMarket Participant, or ISO-NE;~~

~~v. (e) — have any other type of relationship with a single-state or multi-state agency within New England, a GovernanceMarket Participant or an affiliate of a GovernanceMarket Participant, except related to the IMMU's EMM's own consumption of electricity, or, except as set forth in this Agreement, with ISO-NE;~~

~~vi. (f) — provide advice, or undertake a matter for or on behalf of, any entity regarding any entity's participation or potential participation in the New England Electricity Markets; or~~

vii. ~~(g)~~—accept any gift, loan (other than on standard commercial terms from a vendor of financial services) or other item of value from a state agency within New England, a GovernanceMarket Participant, an affiliate of a GovernanceMarket Participant, or ISO-NE.

(b) ISO-NE acknowledges that the IMMU provides independent monitoring services for other independent system operators and regional transmission organizations, and that the provision of such services does not violate the terms of this Section 6.6.

(c) Further, notwithstanding any other provision of this Section 6.6, ISO-NE acknowledges that the IMMU provides independent monitoring services pursuant to FERC-approved monitoring plans. The provision of such services shall not violate the terms of this Section 6.6, provided that (i) annual revenues from each engagement to monitor Governance Participants or their affiliates do not constitute more than 10% of the IMMU's EMM's anticipated annual revenues, (ii) the IMMU provides ISO-NE written notice if the annual revenues from engagements to monitor Governance Participants or their affiliates, in the aggregate, are projected to exceed 20% of the IMMU's EMM's anticipated annual revenues, (iii) the IMMU provides ISO-NE written notice before accepting any engagement to monitor a Governance Participant or affiliate, (iv) no data generated by ISO-NE or the IMMU as part of the provision of Services pursuant to this Agreement is utilized in the provision of such services, and (v) no additional advice, consulting or other services are provided beyond those specified in the monitoring plans.

Section 6.7. Access to Data. As required by Section 9.4.5 III.A.1.3 of the Participants Agreement Tariff, the parties agree that the IMMU shall have ~~reasonable~~ access to ISO-NE's data, resources and personnel, ~~including ISO-NE management responsible for sufficient to allow the EMM to perform the functions outlined in the Tariff and this Agreement. This access shall include access to any confidential market monitoring, operations and billing information that ISO-NE receives from another independent system operator or regional transmission organization subject to the Commission's jurisdiction, or its market monitor, as part of an investigation to determine (a) if a Market Violation is occurring or has occurred, (b) if market power is being or has been exercised, or (c) if a market design flaw exists. In addition, the EMM shall have full access to the ISO's electronically generated information and settlement functions databases and shall have exclusive control over any data created by the EMM. The EMM may share any data created by it with ISO-NE, which shall maintain the confidentiality of such data in accordance with the terms of the ISO New England Information Policy.~~

Section 6.8. Security. The parties agree that physical and cyber security is critical to ISO-NE's operations. Accordingly, the parties agree to the following security provisions:

~~(a) At all times during the term of this Agreement, the EMM shall maintain administrative, technical and physical safeguards, including proper information disposal procedures, to ensure the security, confidentiality and integrity of its software (object and source code), systems and facilities, and ISO-NE's Confidential Information, data and equipment, and to protect all of the foregoing against any threats or hazards, including, without limitation,~~

unauthorized access or use. The EMM shall, at its sole expense, take appropriate actions, including reasonable actions the ISO-NE may request, to address any actual or apparent breach of security, including providing prompt notification to the ISO-NE of any such incident.

(b) The EMM will periodically (but not less than annually) review and update its security procedures. The EMM shall promptly provide ISO-NE with information regarding such security measures upon the reasonable request of ISO-NE or its designee, which information shall include, but not be limited to, any Service Organization Controls report covering the EMM's operations, and any other audit reports, summaries of test results or equivalent measures or evaluations taken by the EMM with respect to its security measures.

(c) Upon reasonable notice and during normal business hours, ISO-NE, including its consultants and/or internal auditors, shall have the right to go onto the IMMUEMM's property or web site to evaluate the IMMUEMM's physical and logical security. The IMMUEMM, business continuity plan, change/configuration management processes and vulnerability/patch management processes. The EMM shall provide information reasonably necessary for ISO-NE and its agents to complete its security evaluation.

(b) The IMMUEMM shall comply and demonstrate compliance with any reasonable written recommendations resulting from ISO-NE's physical and logical security evaluation of the IMMUEMM, subject to an agreement between ISO-NE and the EMM regarding which party shall incur the costs of implementing any recommendation that is a material new requirement.

(c) The IMMUEMM is required to immediately notify ISO-NE of all known attempted or successful breaches to IMMUEMM's security that have or reasonably may result in access to or exposure of ISO-NE's data. The IMMUEMM agrees to take commercially reasonable efforts to detect any unauthorized access attempts.

(d) The EMM shall prepare a written "business continuity plan" that includes a "disaster recovery plan" describing the specific, detailed actions to be taken by the EMM to ensure the continued supply of the Services to ISO-NE pursuant to the requirements of this Agreement in the event of any Force Majeure event or other reasonably possible disruption in the EMM's ability to perform its obligations under this Agreement (the "Plan"). The Plan shall address the unavailability of material third party software for any reason, including the insolvency of the licensor of the third party software or the termination or expiration of the EMM's rights in such Third Party Software; notwithstanding the foregoing, the only current material third party software is SAS and the parties agree that there is no reasonable contingency plan at this time for the unavailability of SAS. The Plan shall be updated at least annually by the EMM, in order to improve the EMM's ability to be prepared for any problem, and such updates shall be provided to ISO-NE for review and feedback.

ARTICLE 7 – TERMINATION

Section 7.1 Term. The term of this Agreement shall end on December 31, ~~2014~~2019, unless terminated earlier as provided herein.

Section 7.2. Termination. (a) In the event that either party to this Agreement passes a resolution to wind-up, suffers a winding-up order to be made for any reason, is dissolved, becomes insolvent or falls into receivership, commits an act of bankruptcy or is adjudicated bankrupt by a court of competent jurisdiction, or ceases to carry on business for any reason whatsoever, the other party hereto shall have the right to terminate this Agreement immediately.

(b) ISO-NE may terminate this Agreement upon thirty (30) days' written notice to the IMMU/EMM.

(c) If the IMMU/EMM assigns or transfers this Agreement or any right or obligation hereunder in violation of Section 9.1, or reassigns any of the employees listed ~~in the Scope of Work on Exhibit B~~, ISO-NE shall have the exclusive option of (i) continuing under the terms and conditions of the Agreement, (ii) continuing under the terms and conditions of the Agreement with the IMMU/EMM or its successors or assigns for such period of time as is necessary to replace the IMMU's/EMM's services, or (iii) immediately terminating the Agreement.

(d) Either party may terminate this Agreement immediately in the event that the other party shall be in material breach of any representation, warranty, covenant, term or condition of this Agreement and shall fail to remedy such breach within seven (7) days after receiving written notice thereof from the other party.

(e) Notwithstanding the foregoing, no termination of this Agreement shall be effective until the FERC has approved such termination pursuant to a filing by one or both of the parties hereto.

Section 7.3. Obligations on Termination. ~~Notwithstanding the expiration or Upon termination of this Agreement by either party;~~ ISO-NE shall pay to the IMMU/EMM all payments due and owing ~~which through the termination date that~~ are not in dispute pursuant to this Agreement. ~~Upon termination of this Agreement in accordance with Section 7.1 or 7.2, the IMMU; and the EMM~~ shall deliver all Confidential Information and Work Product, in any form, to ISO-NE. The other provisions hereof shall survive in accordance with Section 9.3.

ARTICLE 8 – INDEMNIFICATION

Section 8.1. Indemnification. Each party shall indemnify and hold harmless the other, its directors, officers, employees and agents, from and against any claims, demands, losses, damages or expenses (or actions in respect thereof asserted by any third party), including, without limitation, attorneys' fees, relating to any breach of the indemnifying party's representations, warranties or covenants in this Agreement. Additionally, each party shall indemnify and hold harmless the other, its directors, officers, employees and agents, from and against any claims, demands, losses, damages or expenses (or actions in respect thereof asserted by any third party), including, without limitation, attorneys' fees, relating to any injury to any person or damage or loss of any property incurred to the extent arising from the negligent act or omission or willful misconduct of the indemnifying party done in the course of fulfilling the terms of this Agreement.

Section 8.2. Injunctions and Other Equitable Relief. Notwithstanding the foregoing, the parties specifically reserve the right to seek a temporary judicial restraining order, preliminary or permanent injunction, or other similar equitable relief with respect to (i) violations of confidentiality and intellectual property provisions of this Agreement, (ii) any failures by the parties to comply with any applicable post-termination obligations for which monetary compensation would not be adequate, (iii) to preserve the status quo or prevent irreparable harm. The jurisdiction and venue for any such action shall be governed by Section 9.8 hereof.

ARTICLE 9 – MISCELLANEOUS

Section 9.1. Assignment. This Agreement shall inure to the benefit of the parties and their respective successors and assigns. Notwithstanding the foregoing, the IMMUUEMM shall not be entitled to assign this Agreement without the prior written consent of ISO-NE and any such assignment shall be deemed void. For purposes of this Agreement, assignment shall be deemed to include merger of the IMMUUEMM, transfer of 50% or more of the equity interests in the IMMUUEMM, or operation of law.

Section 9.2. Notice. ~~Any~~Using the contact information below, any notice given hereunder shall be in writing and (i) given by personal delivery, (ii) sent by prepaid registered or certified mail, postage prepaid, or by reputable overnight courier service, in each case addressed to the addressees set forth below, or (iii) transmitted by facsimile ~~to the addressees at the facsimile numbers set forth below or email.~~ Any notice so given shall be deemed received as follows: if sent by registered or certified mail, on the third business day next following the mailing thereof; if sent by reputable overnight courier service, on the next business day; or, if transmitted by facsimile, ~~upon~~ or email, on the business day following the sender's confirmation of receipt. Either party may change its address hereunder by giving written notice of such change to the other party in the manner provided above.

If to the IMMUUEMM:
Potomac Economics, Ltd.
9990 Fairfax Boulevard, Suite 560
Fairfax, Virginia VA 22030
ATT: President
Tel: (703-) 383-6270
Fax: (703-) 383-0796
Email: dpatton@potomaceconomics.com

If to ISO-NE:
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
ATT: General Counsel
Tel: 413-535-4000
Fax: 413-535-4379
Email: rhepper@iso-ne.com

Section 9.3. Survival. The representations, warranties and covenants contained in this Agreement shall survive the termination of this Agreement, regardless of any investigation or due diligence inquiry that may have been made on behalf of the party for whose benefit the representations, warranties and covenants were made.

Section 9.4. Further Assurances. The parties agree to cooperate with and assist each other and take such action as may be reasonably necessary to implement and carry into effect this Agreement to its full extent.

Section 9.5. Counterparts. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Section 9.6. Independent Contractor. The parties to this Agreement are each an independent contractor as to the other and shall not be considered or deemed to be an agent, employee, joint venturer or partner of the other. Neither party shall have authority to contract for or bind the other in any manner and shall not represent itself as an agent of the other or as otherwise authorized to act for or on behalf of the other.

Section 9.7. Waiver. Any term or provision of this Agreement may be waived only in writing by the party or parties who are entitled to the benefits being waived. No waiver by any party shall operate as a waiver of any future exercise of that right, nor shall any single or partial exercise of any right hereunder preclude any other or future exercise of that right or any other right hereunder. All rights and remedies evidenced hereby are in addition to and cumulative to rights and remedies available at law.

Section 9.8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without (i) reference to the choice of law principles thereof, or (ii) regard to any presumption or rule requiring construction or interpretation against the party drafting or causing this Agreement to be drafted. Any action commenced with respect to this Agreement shall be brought in a court of competent jurisdiction of the Commonwealth of Massachusetts, to which the parties hereby consent.

Section 9.9. Entire Agreement. This Agreement and Exhibits contain the entire agreement between the [IMMUJEMM](#) and ISO-NE with respect to the subject matter hereof and thereof and supersede all prior agreements, negotiations and representations, written or oral, as of the date of this Agreement. Except as provided herein, there are no conditions, representations, warranties, undertakings or agreements between the parties whether direct, indirect, collateral, express or implied. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by both parties.

Section 9.10. Number and Gender. Words importing the singular include the plural and vice versa and words importing gender include both genders.

Section 9.11. Headings. The Article and Section headings contained herein are included solely for convenience, are not intended to be full or accurate descriptions of the contents thereof and shall not be considered part of this Agreement or to affect the interpretation hereof.

Section 9.12. Severability. The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any such invalid or unenforceable provision or covenant shall be deemed severed.

Section 9.13. Force Majeure. Neither the ~~IMMUEMM~~ nor ISO-NE shall be liable to each other for any delay or failure to perform its obligations hereunder due to strikes, labor disputes, riots, storms, floods, explosions, acts of God or war (a “Majeure Event”). Each party shall give to the other party notice in writing promptly after such party becomes aware of any such delay as a result of a Majeure Event.

[The next succeeding page is a signature page.]

IN WITNESS WHEREOF, the parties hereto have executed this ~~IMMUEMM~~ Services Agreement as of the date first written above.

POTOMAC ECONOMICS, LTD.

By: _____
David ~~B.~~ Patton, ~~Ph.D~~
President

ISO NEW ENGLAND INC.

By: _____
Robert C. Ludlow
Vice President, Chief Financial Officer and Compliance 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~~ Tariff. As set forth in Section ~~9.4.5~~ III.A.1.2 of the ~~Participants Agreement~~ Tariff, any limitation or modification to this Scope of Work shall be subject to the prior approval of ~~the~~ FERC.

~~A.~~ REPORTING RELATIONSHIP

A. Relationship with ISO-NE

The ~~External Market Monitor~~ EMM reports directly to the Markets Committee of the ISO-NE Board of Directors. ~~The External Market Monitor will~~ David Patton, or an acceptable designee when he is unavailable (which the parties agree shall not occur more than twice per year barring exceptional circumstances), shall attend all meetings of the Markets Committee ~~(including those held with Governance Participants) and~~ to report on the ~~performance of the markets and on market power mitigation. The External Market Monitor may be asked to~~ EMM's work, and participate in preparatory meetings with ISO-NE staff ~~regarding related issues. The External Market Monitor~~ before each Markets Committee meeting. The EMM 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~~ document in a form to be agreed by the parties: ~~that outlines the EMM's reaction to the IMM's monthly report and identifies any significant concerns identified through the EMM's data analysis.~~

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 ~~Required Functions of the External Market Monitor~~ Per the Tariff

The EMM shall ~~undertake~~ continue to meet 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 obligations set forth in~~ 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, Tariff (Section III.A). These obligations 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, but 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, not limited to:~~

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

~~1. Review of Market Competitiveness and Design: As set out in Section III.A.2.2 of the Tariff, the EMM shall review the competitiveness of the markets. Without limitation, this review shall include proposed market rule changes that are identified by ISO-NE. The EMM shall comment on market designs and filings under development, and make recommendations to improve the competitiveness of the markets and the efficiency of trade between regions.~~

To facilitate the fulfillment of this responsibility:

- the ISO will provide proposed market designs to the EMM for review, and, following ongoing consultation between the ISO and EMM, the EMM will respond with a final written opinion on the design within a reasonable time frame that has been agreed upon by the EMM and the ISO.

- the IMM will provide the EMM with its monthly, quarterly and annual market performance reports for the EMM's review and comment.

2. Reporting: The EMM shall continue to make the reports described in Appendix A of the Tariff. Without limitation, as set out in Section III.A.17.3 of the Tariff, these reports will include annual reports on the overall competitiveness and efficiency of the markets, including the activities of the ISO and Market Participants and the effectiveness of Section III.A of the Tariff. Ad hoc reports referenced in Appendix A of the Tariff are not included in this Scope of Work, but are included as Other Services under this Agreement. It is anticipated that a significant element of the EMM's annual report will be a comparison of the functioning of the New England markets with other U.S. electricity markets. The EMM will coordinate its annual report with the IMM's annual report.

Mitigation Review: As set out in Section III.A.2.2(d) of the Tariff, the EMM will continue to monitor and

~~C. ADDITIONAL FUNCTIONS~~

3. (i) The External Market Monitor will review the quality and appropriateness of the mitigation conducted by the IMM.

4. Referrals to Enforcement: The EMM shall continue to make referrals to the Commission and to other relevant authorities as required in Appendix A. Without limitation, as set out in Sections III.A.19 and III.A.20 of the Tariff, the EMM will refer any suspected Market Violation by either ISO-NE or a Market Monitor. In the event a Participant that the External Market Monitor discovers problems warrants investigation, any suspected market design flaw, or any problem with the quality or appropriateness of such market power mitigation.

~~C.~~, the External Market Monitor shall promptly inform the Commission
Data and Security

As required by the Tariff, the Commission's Office of Energy Market Regulation staff, parties agree that the ISO Board of Directors, the public utility commissions, EMM shall have reasonable access to ISO-NE's data and personnel, including ISO-NE management responsible for each market monitoring, operations and billing and settlement functions. The EMM shall have the ability to receive ISO-NE's data in a secure manner, as discussed in more detail in Section 6.8 of the six New England states, and Agreement. In particular, the Governance Participants of its findings in accordance with the EMM shall: (i) maintain administrative, technical and physical safeguards, including proper information disposal procedures outlined in Sections III.A.14 and/or III.A.15 of this Appendix A of; (ii) at least annually review and update its security procedures; and (iii) prepare a written business continuity plan that includes a disaster recovery plan. ISO-NE shall be entitled to review the EMM's security measures and related audit results, and shall have the Market Rules, provided that in right to evaluate 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. EMM's physical and logical security itself.~~

~~(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.~~

EXHIBIT B

CONTRACT RATES FOR 2009

| <u>Team Member</u> | <u>Billing Rates</u> |
|-----------------------------|----------------------|
| <u>Matthew Carrier</u> | <u>\$175</u> |
| <u>Jie Chen</u> | <u>\$280</u> |
| <u>Michael Chiasson</u> | <u>\$290</u> |
| <u>Jason Fogarty</u> | <u>\$270</u> |
| <u>Michael Higgins</u> | <u>\$250</u> |
| <u>Michael Giberson</u> | <u>\$250</u> |
| <u>Pallas LeeVanSchaick</u> | <u>\$295</u> |

PERSONNEL

Personnel (with 2016 hourly rate, for reference):

| | | |
|------------------------------|-----------------|--------------|
| <u>David Patton</u> | <u>\$405</u> | <u>\$485</u> |
| <u>Michael Wander</u> | <u>\$330</u> | |
| <u>Robert Sinclair</u> | | <u>\$310</u> |
| <u>Pallas Lee VanSchaick</u> | <u>\$360</u> | |
| <u>Michael Wander</u> | <u>Chiasson</u> | <u>\$340</u> |
| <u>Jason Fogarty</u> | <u>\$335</u> | |
| <u>Jie Chen</u> | <u>\$335</u> | |
| <u>Kelvin Green</u> | <u>\$290</u> | |
| <u>Matthew Carrier</u> | <u>\$285</u> | |
| <u>Doug Lassiter</u> | <u>\$280</u> | |
| <u>Mark Lassiter</u> | <u>\$280</u> | |
| <u>Raghu PalavadiNaga</u> | <u>\$265</u> | |
| <u>Carrie Milton</u> | <u>\$270</u> | |
| <u>Max Epstein</u> | <u>\$265</u> | |
| <u>John Patton</u> | <u>\$260</u> | |
| <u>Paul Allen</u> | <u>\$255</u> | |
| <u>Arjun Garg</u> | <u>\$235</u> | |
| <u>Yong Tang</u> | <u>\$235</u> | |
| <u>Tao Qin</u> | <u>\$235</u> | |
| <u>Craig Brown</u> | <u>\$235</u> | |

EXHIBIT C

REIMBURSEMENT RATES

Expenses shall be reimbursed by ISO-NE at 100% of cost, and mileage shall be reimbursed at the standard imposed by the IRS. Reimbursements for expenses shall not exceed 10% of the total fees for Services paid by ISO-NE pursuant to Section 3.1.

The parties agree that overnight travel shall be limited as follows:

- The IMMUConsultant will use best efforts to secure lowest cost airline fares.
- The IMMUConsultant will consult with ISO-NE (telephone or email consultations are acceptable) regarding each trip to discuss the minimization of expenses.
- All Invoices will include Purchase Order Number, and will be sent to Accounts Payable. Detailed Receipts will be provided for all meals and any charges of \$10.00 or more.
- Hotels and Meals will be capped based on GSA Rates. Meals for any day while working in Holyoke will not exceed \$4451.00. (GSA Standard.) ISO does not reimburse for alcoholic beverages.
- ISO-NE has negotiated special rates at the following local hotels:

* Holiday Inn, Whitings Farm Road,

Holyoke, MA

Phone: 413-534-3311 (Front Desk)

Rate: \$69.00 per night

*

The "D" Hotel (formerly Country Inn and Suites,) Northampton St., Holyoke, MA

Phone: 413-533-2100 Fax : 413-539-9761

www.countryinns.com

Contact: Lori Fitzgibbon, GM (Email: ex_holy@countryinns.com/holyokema)

\$ 81.00 Per Night ISO-NE Rate: \$69.00 per night

The hotel web site is: www.stayattheD.com

The direct ISO link for reservations is:

<https://res.windsurfercrs.com/bbe/page1.aspx?pcode=SC031&propertyid=13046&rate=ISO>

-

Guests can use the direct link or simply go to the web site and enter "ISO" as a corporate code under "Additional Options".

Homewood Suites by Hilton ISO-NE Corp ID # 0002653660

Holyoke/Springfield-North

375 Whitney Ave, Holyoke, MA 01040

Phone (413) 532-3100 Fax (413) 532-3150

Ask for ISO New England Rate 1-4 Nights \$ 129/night, 5-11 Nights \$ 114/Night

<http://homewoodsuites.hilton.com/en/hw/reservations/index.jhtml?hotel=HOLHWHW&corporateCode=002653660>

Springfield

Springfield Marriott, 1500 Main St., Springfield, MA

Phone: 413-750-3019

Contact: ~~Linda Mensher~~

"Consultant Rate": ~~\$85~~**105.00 per night** (weekdays) Parking \$ 16 per night

~~Best Western Sovereign, 1080 Riverdale~~Sheraton Springfield Monarch Place Hotel

1 Monarch Place, Springfield, MA 01144

Director of Business Travel Sales

Phone: 413.263.2024 Fax: 413.732.7560

ISO-NE Rate: \$92.50 per night

Northampton

Hotel Northampton, 36 King St. (Rt. 5), Northampton, MA 01060

ISO NE has a rate code VS1217 \$ 109+ plus tax standard rooms.

Discounted rates are good Sunday thru Thursday based on availability

West Springfield, MA

~~Phone: 1-800-870-0486~~

~~Contact: Peggy Gosselin~~

***Hampton Inn West Springfield**

Stacey Warren, Director of Sales

Tel: 413-732-8746

Fax: 413-732-9883

ISO-NE Rate: ~~\$72~~**\$82.00** per night

https://secure.hilton.com/en/hp/res/choose_dates.jhtml;jsessionid=DVVVIY4XRWDJWCSGBIY222Q?hotel=SPFRDHX&corporateCode=%200560075918&_requestid=51410

* **These are our preferred hotels. They are within the closest proximity to ISO headquarters and are our first choice for your stay.**

Rental Cars while working on-site at ISO-NE:

The others are available if for some reason the preferred hotels are not available. Hotel expenses will be reimbursed based on these rate standards for all accommodations required while working at ISO's Holyoke, MA location.

Suggested Rental Cars:

Enterprise Rent-A-Car – For Local Rentals in MA or at Bradley Airport (BDL)

West Springfield Office Reservations : 413-785-5002, (will deliver to ISO-NE).

~~Peter White, Branch Manager~~

Bradley Airport & other WMass Offices: 800-243-3722

Corporate ID. # 48A5636

Daily Compact \$ 33.~~00~~./Day, Mid \$39./Day Unlimited Miles

Weekly Compact \$ 199.00/ week, Mid 220.00/week** Unlimited Miles

Monthly Compact \$ 590.00/month, Mid \$ 725.00/month includes 3,000 Miles

Budget Rent a Car – For Airport and any other Auto Rentals

Budget Corporate Discount (BCD) # U316562

Reservations at www.budget.com or via phone at 1-800-527-0700

~~*These are our preferred Hotels and Rental Car providers. They are within the closest proximity to ISO headquarters and are our first choice for your stay. The other hotels are available if for some reason the preferred hotels are not available.~~

Hotel and Rental Car expenses will be reimbursed based on these rate standards for all accommodations required while working at ISO's Holyoke, MA location.

EXHIBIT D

ISO NEW ENGLAND INFORMATION POLICY

EXHIBIT E

ISO NEW ENGLAND CODE OF CONDUCT

Attachment 3

Connecticut

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Maine

The Honorable Paul LePage
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Maine Public Utilities Commission
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Massachusetts

The Honorable Charles Baker
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Massachusetts Attorney General Office
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Massachusetts Department of Public Utilities
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New Hampshire

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Rhode Island

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Justin.johnson@state.vt.us

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Vermont Department of Public Service
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**New England Governors, Utility Regulatory
and Related Agencies**

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