	© ISO New England Inc. 2024	<b>Procedure: Mitigating Unauthorized External Transactions</b>
	<b>Process Name: Evaluate Real-Time External Transactions</b>	
	<b>Procedure Number: RTMKTS.0020.0040</b>	<b>Revision Number: 10.4</b>
	<b>Procedure Owner: Thomas Knowland</b>	<b>Effective Date: August 29, 2024</b>
	<b>Approved By: Director, Operations</b>	<b>Valid Through: August 29, 2026</b>


# SOP-RTMKTS.0020.0040

## Mitigating Unauthorized External Transactions

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## 1. Objective

The objective of this procedure is to invalidate a Real-Time External Transaction when a Market Participant's (MP) trading privileges are suspended due to inadequate financial assurance. This procedure documents the responsibilities and the process for invalidating any unauthorized external transaction.

## 2. Background

Submittal and dispatch of an external transaction is described in ISO New England Operating Procedure No. 9 - Scheduling and Dispatch of External Transactions (OP-9).


The Financial & Compliance Market and Credit Risk (MACR) business unit performs a Daily Credit Test for each MP. When a Daily Credit Test result exceeds 100%, MACR communicates an Internal Notice of Participant Suspension to the Tariffs, Scheduling & OASIS (TSO) Administrator. A TSO Administrator performs certain actions described in this procedure to invalidate a pending Real-Time External Transaction. The Participant Relations and Services business unit, separate from this procedure, will disable an MP's ability to submit any Real-Time External Transaction on a going-forward basis until an Internal Notice of Participant Cure is received from MACR.

## 3. Responsibilities

1. MACR is responsible for providing an Internal Notice of Participant Suspension to the TSO Administrator.
2. Following receipt of an Internal Notice of Participant Suspension, the TSO Administrator is responsible for invalidating any Real-Time External Transaction or e-Tags as appropriate.

## 4. Controls

- ISO New England (ISO) personnel performing this process have obtained system access through the appropriate security process as administered by ISO Information & Cyber Security Services.
- Only ISO personnel authorized by the Manager, Forecast & Scheduling are allowed to invalidate a Real-Time External Transaction.
- When MACR issues an Internal Notice of Participant Suspension, any Real-Time External Transaction to which the MP is a party, from effective date of suspension forward, is to be invalidated following such notice.

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## 5. Instructions

### 5.1 Notification of an Unauthorized External Transaction

#### NOTE


The transmittal of an Internal Notice of Participant Suspension from MACR should include the MP name, Customer ID number and their effective date and time of the suspension.

1. When the TSO Administrator receives a transmittal of an Internal Notice of Participant Suspension from MACR stating the effective date and time of the suspension, the TSO Administrator shall retain that transmittal for reference for invalidating an external transaction.

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## 5.2 Invalidating an Unauthorized External Transaction

1. When an Internal Notice of Participant Suspension is received, the TSO Administrator shall access the Interchange Scheduling Software and identify each Real-Time External Transaction the MP is a party to, from effective date and time of suspension forward and:
  - A. Review existing Real-Time Energy Market External Transactions for the remainder of the current day to determine which following conditional action is required:
    - Real-Time Energy Market export External Transactions shall **not** be allowed to flow for future hours
    - Real-Time Energy Market import External Transactions shall be allowed to flow
  - B. Notify the Generation Operator of impacted External Transactions
  - C. Review all NYISO Joint Energy Scheduling System (JESS) transactions associated with this MP.
    - For ISO export transactions for the remainder of the current day, curtail the referenced e-Tags that are exporting from ISO for future hours to 0 MW
    - For all transactions for future dates, curtail the referenced e-Tags to 0 MW
2. At the close of the Day-Ahead Energy Market trading deadline, the TSO Administrator shall verify by receipt of an email that the automated process(es) performing the following applicable actions have occurred:
  - A. Day-Ahead Energy Market import and export External Transactions on future days were re-submitted to zero MW on behalf of the MP
  - B. Existing Real-Time Energy Market import and export External Transactions on future days were re-submitted to zero MW on behalf of the MP
3. The TSO Administrator shall verify the applicable conditional action in step 5.2.1.A (above) is taken, until an Internal Notice of Participant Cure is received from MACR stating the ability of the MP to submit any additional external transaction has been disabled or that the MP has been reinstated.
4. The TSO Administrator shall enter actions taken when invalidating any Real-Time External Transactions in the Control Room Event Logserver.

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### 5.3 Communications

1. When the Day-Ahead Energy Market has closed after receiving an email of an Internal Notice of Participant Suspension from MACR, the TSO Administrator shall respond by sending a list of invalidated transactions to the following:
  - MACR business unit via *creditdepartment@iso-ne.com*
  - Manager, Forecast & Scheduling via *OPERTSOAdministrators@iso-ne.com*
  - Hourly Market Operations via *marketadmingrp@iso-ne.com*
  - TSO via Transmart Mail *Transmail@iso-ne.com*

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## 6. Performance Measures


None.

## 7. References

ISO New England Operating Procedure No. 9 - Scheduling and Dispatch of External Transactions (OP-9)

## 8. Revision History

Rev No.	Date	Reason	Contact
--	03/16/09	For previous revision history, refer to Rev 4 available through Ask ISO	Mike Zeoli
5	03/16/09	Biennial Review performed, Management changes reflected in Header, Clarified periodic time to review denied transactions and added that Market Participants can be reinstated	Steve Weaver
6	01/11/11	Biennial review by procedure owner; Updated Header copyright date; Replaced page numbers in Footers with Page X of Y format; Section 2 replaced "Customer Service and Training (DS&T) Department" with "Customer Support Department" Section 4 defined acronym ISO and replaced "...Operations Support..." with "...Control Room Operations...";	Steve Weaver
7	01/10/13	Biennial review by procedure owner; Headers, updated copyright date and Procedure Owner; 1 <sup>st</sup> page Footer, deleted disclaimer 2 <sup>nd</sup> paragraph; Globally minor grammar, format, punctuation, clarification, etc. changes.; Changes mandated by Finance Dept changes	William Callan
8	05/23/13	Modified 5.2.2, timeline language change	William Callan
8.1	12/17/14	Biennial Review by procedure owner requiring no changes;	William Callan

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9	12/14/15	<p>Added actions required on e-Tags for NYN interface;  Clarified actions to be taken by TSO;  Section 1, Objective-Language change;  Section 2, Business department name change from Finance Department to Enterprise Risk Management, Language change;  Section 3.2 Responsibilities-Statement clarification;  Section 4 – Controls – Business department name change from Finance Department to Enterprise Risk Management;  Step 5.1.1 2 – 1<sup>st</sup> Note: Business department name change from Finance Department to Enterprise Risk Management;  Step 5.1.1.- 2<sup>nd</sup> Note -Removed redundant statement covered further in the document;  5.1.1.A- Removed redundant statement covered further in the document;  5.1.1.B- Removed redundant statement covered further in the document;  Step 5.2.1.C-Inserted task associated with new CTS software;  Step 5.2.2.A-Step clarification;  Step 5.2.2.B-Step clarification;  Step 5.3-Step change in notifications involving TSO and Enterprise Risk Management due to CTS ;</p>	William Callan
10	10/31/16	<p>Biennial Review by procedure owner;  Header updated with new procedure owner;  Added required corporate document identity to all page footers;  Globally defined acronym ERM and used throughout remaining text;  Globally, made minor punctuation changes;  Section 2 corrected TSO definition;  Section 5.1 and 5.2, added “and time” indication to suspension notification where applicable;  Section 5.3: Corrected department names and position titles for notifications</p>	Thomas Knowland
10.1	09/15/18	<p>Biennial Review by procedure owner requiring no changes;  Made administrative changes required to publish a Minor Revision;</p>	Thomas Knowland
10.2	09/11/20	<p>Biennial Review by procedure owner requiring no changes;  Made administrative changes required to publish a Minor Revision;</p>	Thomas Knowland
10.3	09/07/22	<p>Biennial Review by procedure owner requiring no intent changes;  Made administrative changes required to publish a Minor Revision.</p>	Thomas Knowland
10.4	08/29/24	<p>Biennial Review by procedure owner requiring no changes;  Made administrative changes required to publish a Minor Revision.</p>	Thomas Knowland

## 9. Attachments

None.