

Market Monitoring: Description of Responsibilities

Transmission Owners (TOs) – 2005ff.

1. Execute Market Monitoring Agreement (MMA) – **fall 2005**
2. Agree to initial budget – **fall 2005**
3. Establish mechanism to allocate initial budget across TOs – **fall 2005**
4. Select agent to hold funds and pay invoices from independent market monitor (IMM) – **fall 2005**
5. Collect funds to pay for market monitoring activities and send funds to payment agent – **2005/06, depending on need for rate case or accounting order**
6. If recommended by the IMM, prepare and submit tariff amendments to FERC to require cooperation with IMM as condition of use of TOs' transmission systems; enforce compliance with such amended tariffs if necessary – **2006ff.**
7. Approve future annual budgets as developed by MMC (subject to dispute resolution) – **2006ff.**
8. Establish data transmittal mechanisms for initial SOM report - **2006**
9. Cooperate with IMM on future data transmittal mechanisms (e.g., via common OASIS) – **2006ff.**

Market Monitoring Committee (MMC) – late 2005 and ff.

1. Represent different sectors of the market via class structure (7 classes)
2. Be open to any wholesale market participant, end-use consumers, regulatory commissions, and consumer representative groups
3. Hold open meetings
4. Elect Executive Committee (X/C) for ministerial tasks
5. Develop market monitoring plan and scope of services for IMM – **1/1/2006**
6. Select IMM through RFP – **3/31/06**
7. Conduct performance review of IMM – **after delivery of first SOM report**
8. Hire independent auditor to review confidential work of IMM – **after first SOM report**
9. Decide on expenditures within annual budget as approved by TOs
10. Develop budget amendments if necessary to conduct market monitoring work
11. Develop budget recommendations before TOs set annual budgets – **summer 2006 for 2007, etc.**
12. Ensure that annual State of the Market (SOM) reports are prepared by the IMM
13. Direct special investigations and reports by the IMM

MMC Executive Committee (MMC X/C) – 2006ff.

1. Schedule meetings of MMC
2. Pass budget recommendations to TOs
3. Review/approve invoices submitted by IMM

Independent Market Monitor (IMM) – 2006ff.

1. Prepare initial SOM report on 2005 - **by end of 2006 if not earlier**
2. Evaluate and recommend data streams for future SOM reports – **end of 2006**
3. Establish data monitoring mechanisms

4. Initiate investigations of anomalous events and report to MMC – **after delivery of first SOM report**
5. Receive and process complaints by market participants – **after first SOM report**
6. Deliver quarterly reports to MMC on complaints – **2007ff.**
7. Deliver annual SOM reports – **2006ff.**
8. Communicate with other MMs in West, state commissions, FERC, and other enforcement authorities – **2006ff.**
9. **Deliver reports to FERC, state regulatory agencies, and other governmental agencies with enforcement powers as appropriate depending on the nature of its findings**
10. Maintain confidentiality of all information received from market participants unless such information is in the public domain otherwise
11. Maintain insurance coverage for Errors and Omissions
12. Adhere to strict conflicts of interest policy

Market participants – **2006ff.**

1. Cooperate with IMM as described in tariffs of TOs (if tariff revisions are recommended by the IMM, developed by the TOs, and approved by FERC)
2. File complaints directly with IMM if necessary
3. Provide data or other information as requested by the IMM

Independent auditor – **2007ff.**

1. Review implementation of IMM's complaint procedure
2. Review IMM's collection and handling of data as requested by the MMC
3. Report to MMC annually

Agent of transmission owners – **2006ff.**

1. Collect funds from transmission owners
2. Pay invoices from IMM after approval by MMC X/C