

Business Issues Committee
December 15, 2004 Meeting
Motion - Agenda #09

**MOTION TO REVISE THE CREDIT POLICY
FOR VIRTUAL TRANSACTIONS**

The Business Issue Committee hereby requests the NYISO staff to prepare the draft tariff amendments to the NYISO's credit policy for Virtual Transactions necessary to reflect the proposed changes to the credit policy described below for presentation and approval at the next scheduled Management Committee Meeting:

1. Acceptable Collateral for Virtual Transactions should include the netting of a Market Participant's accounts receivables from the NYISO as is currently permitted for other transactions in the NYISO's electricity markets; and,
2. The amount of collateral required for Virtual Transactions shall be reduced from "seven times the highest differential between the Day-Ahead and Real-Time Energy market prices in the NYCA at the 97th percentile over the previous ninety days" to "four times the highest differential between the Day-Ahead and Real-Time Energy market prices in the NYCA at the 97th percentile over the previous ninety days."

All other provisions of the NYISO's credit policy for Virtual Transactions shall remain unchanged.