

Shell Energy North America (US), L.P. Proposal  
For Verification/Evaluation of Market Participant  
Risk Management Procedures

Shell Energy Position: RTO/ISOs should not impose any standards on market participants with respect to Dodd Frank Act implementation until the CFTC has determined that ISO products such as TCCs are swaps.

If NYISO ultimately moves forward with a risk management procedures verification/evaluation program, it should be focused on firms that lack TCC market experience and are thinly capitalized.

Proposal: A market participant that meets the following criteria would not be subject to the verification requirement, only the risk management certification requirement. The criteria are as follows:

1. \$5 million in net tangible equity (can be confirmed via quarterly and annual financial statements);
2. 5 years of meaningful and consistent experience in the TCC markets; and
3. No payment defaults in NYISO administered markets for the previous five years.