

Business Issues Committee

December 3, 2003

Agenda Item #07

Resolved, that the BIC approves of the NYISO developing an enhancement of SMD 2.0 that will net settle physical (non-derivative) internal bilateral contracts. The system will provide for day-ahead scheduling, settlement in day-ahead or real-time, and dual or unilateral scheduling of contracts with confirmation by both parties. The terms of all bilateral contracts will remain between the counter parties. The NYISO Credit Policy Task Force will periodically review the proposal during its development.