

Chapter 902A

NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option

902A.01. EXPIRATION

A NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option contract shall expire on the second to last business day of the calendar month immediately preceding the contract month.

902A.02. TYPE OPTION

A NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option put or call option contract traded on the Exchange represents an option to assume a short or long position in the underlying NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Futures contract traded on the Exchange.

902A.03. TRADING MONTHS

Trading in the NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option contracts shall be conducted in the months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

902A.04. HOURS OF TRADING

The NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option contract is available for open outcry trading on the Exchange trading floor between 9:00 a.m. to 2:30 p.m. (New York prevailing time) Monday through Friday, except on Exchange Holidays.

The NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option contract is available for clearing on CME ClearPort from 6:00 p.m. Sundays through 5:15 p.m. Fridays (New York prevailing time), with a 45-minute halt in trading each day between 5:15 p.m. and 6:00 p.m., except on Exchange Holidays shall be conducted in contracts in such months as shall be determined by the Exchange.

902A.05. STRIKE PRICES

Trading shall be conducted for options with strike prices in increments as set forth below.

(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Futures contracts in the corresponding delivery month rounded off to the nearest fifty-cent strike price unless such settlement price is precisely midway between two strike prices in which case it shall be rounded off to the lower strike price and (ii) the twenty fifty-cent increment strike prices which are twenty increments higher than the strike price described in (i) of this Rule 902a.05(A) and (iii) the twenty fifty-cent increment strike prices which are twenty increments lower than the strike price described in (i) of this Rule 902a.05(A) and (iv) an additional ten strike prices for both call and put options will be listed at one dollar increments above the highest fifty-cent increment as described in (ii) of this Rule 902a.05(A), beginning with the first available such strike that is evenly divisible by \$0.50 and (v) an additional ten strike prices for both call and put options will be listed at one-dollar increments below the lowest fifty-cent increment as described in (iii) of this Rule 902a.05(A).

(B) Thereafter, on any business day prior to the expiration of the option, (i) new consecutive strike prices for both puts and calls will be added such that at all times there will be at least twenty fifty cent strike prices above and below the at-the-money strike price available for trading in all options contract months and (ii) new one dollar increment strike prices will be added such that at all times there shall be ten fifty-cent strike prices above the highest fifty-cent strike, (iii) new one-dollar increment strike prices will be added such that at all times there shall be up to ten five-cent strike prices below the lowest fifty-cent strike and each such strike price shall be above zero. The at-the-money strike price will be determined in accordance with the procedures set forth in Subsection (A) of this Rule 902a.05.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a monthly NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option contract in which no new strike prices may be introduced.

902A.06. PRICES

Prices shall be quoted in dollars and cents per MWH. The minimum price fluctuation shall be \$.01 per MWH. A cabinet trade may occur at the price of \$.0025 per MWH or \$1.00, however, if it results in the liquidation of positions of both parties to the trade.

902A.07. ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Swap Option contracts shall not be subject to price fluctuation limitations.