



Commodity Futures Trading Commission
Office of Public Affairs
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Q & A – Notice of Proposed Order on RTO and ISO Exemption for Certain Specified Transactions

What is the purpose of the proposed order?

The proposed order would exempt from certain provisions of the CEA the purchase or sale of specifically defined “financial transmission rights,” “energy transactions,” “forward capacity transactions,” and “reserve or regulation transactions” that are offered or sold in a market administered by one of the petitioning RTOs or ISOs pursuant to a tariff or protocol that has been approved or permitted to take effect by FERC or PUCT, as applicable.

What is the scope of the proposed order?

To be eligible for the proposed exemption, the specifically defined transactions would be required to be entered to by persons who are “appropriate persons,” as defined in section 4(c)(3)(A) through (J) of the CEA or “eligible contract participants,” as defined in section 1a(18) of the CEA and Commission regulation 1.3(m). The proposed exemption would be subject to the continued effectiveness of acceptable information sharing arrangements between the Commission and FERC and between the Commission and PUCT. The proposed exemption would also require the petitioning RTOs and ISOs to keep Commission requests for information confidential. Although the Commission has proposed to make any final order it issues effective immediately, it has proposed certain conditions precedent to the issuance of a final exemption that may be applicable to one or more RTOs or ISOs.

What is the comment period for the proposed order?

The Commission invites the public and interested parties to comment on the proposed order. Comments are due on or before 30 days after the notice of proposed order is published in the Federal Register.