

# FERC Order No. 895: Credit-Related Information Sharing

---

**Sheri Prevratil**

Manager, Counterparty & Credit Risk Management

**Billing, Accounting and Credit Working Group**

September 20, 2023, KCC

# Background

- In February 2021, the Federal Energy Regulatory Commission (“FERC”) held a technical conference on regional transmission organization/independent system operator (“RTO/ISO”) credit principals and practices.
- Among other topics, the technical conference and post-technical conference comments addressed the sharing of credit-related information among RTOs/ISOs.

# Background

- **Following the technical conference, in July 2022, FERC issued a notice of proposed rulemaking seeking comments on its proposed regulation to:**
  - Require each RTO/ISO to adopt tariff provisions that permit the sharing of its market participants' credit-related information with other RTOs/ISOs for the purpose of credit risk management and mitigation, and
  - Permit RTOs/ISOs to use credit-related information received from another RTO/ISO to the same extent and for the same purpose that the receiving RTO/ISO may use credit-related information collected from its own market participants.

# FERC Final Rule

- **On June 15, 2023, FERC issued its final rule on credit-related information sharing in organized wholesale electric markets.**
- **FERC's rule requires RTOs and ISOs have tariff provisions that permit them to share among themselves credit-related information regarding market participants in organized wholesale electric markets for the purpose of credit risk management and mitigation.**
  - FERC found that the ability of RTOs/ISOs to share credit-related information among themselves will improve their ability to accurately assess market participants' credit exposure and risks related to their activities across organized wholesale electric markets.
  - Moreover, the ability to share such information should enable RTOs/ISOs to respond to credit events more quickly and effectively, minimizing the overall credit-related risks of unexpected defaults as well as ensure just and reasonable rates.

# FERC Final Rule

- **FERC's rule:**
  - Permits RTOs/ISOs to share with each other credit-related information;
  - Permits RTOs/ISOs to use market participant credit-related information received from other RTOs/ISOs to the same extent and for the same purpose as information received from its own market participants; and
  - Requires the RTO/ISO that receives credit-related information from another RTO/ISO keep that information confidential as it would any other credit-related information received directly from one of its own market participants.
- **Each RTO/ISO must submit its compliance filing by October 20, 2023.**

# Next Steps

- **Management Committee**  
(informational presentation)

**September 2023**

- **Compliance Filing due**

**October 20, 2023**

# Our Mission & Vision



## Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



## Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation

# Questions?