



December 17, 2015

News Media Contact

Craig Cano | 202-502-8680

Docket No. RM16-3

Item No. E-1

FERC Proposes Revisions to Market-Based Rate Filings

The Federal Energy Regulatory Commission (FERC) today proposed to revise the ownership information that sellers must provide when seeking to obtain or retain electric market-based rate authority. The proposed reform would be less burdensome for the industry and more useful to the Commission in assessing whether to grant such authority.

FERC permits power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power. Currently, a seller must identify all upstream owners, and describe the business activities of the owners and whether they are involved in the energy industry. However, the need to comply with this requirement has forced some sellers to submit multiple amendments to their filings, resulting in extra costs and significant processing delays for information that does not directly affect the market-power analysis.

Today's Notice of Proposed Rulemaking (NOPR) would require market-based rate sellers to provide ownership information on only those affiliates necessary for the Commission's assessment of horizontal or vertical market power, and removes the need to identify other owners.

A seller would be required to identify and describe two categories of affiliate owners:

- "Ultimate affiliate owner(s)," defined as the furthest upstream affiliate owner(s) in the ownership chain; and
- Affiliate owners with franchised service areas or market-based rate authority, or that directly own or control generation; transmission; intrastate natural gas transportation, storage or distribution facilities; physical coal supply sources; or access to transportation of coal supplies.

If an affiliate owner does not fall into either of those categories, the seller would not be required to identify it in describing its ownership structure.

The NOPR also proposes to clarify the types of ownership changes that must be reported to the Commission by sellers that have market-based rate authority.

Comments on the NOPR are due 60 days after publication in the *Federal Register*.

R-16-06

(30)