

[§ 35.47 Tariff provisions regarding credit practices in organized wholesale electric markets.](#)

Each organized wholesale electric market must have tariff provisions that:

- (a) Limit the amount of unsecured credit extended by an organized wholesale electric market to no more than \$50 million for each market participant; where a corporate family includes more than one market participant participating in the same organized wholesale electric market, the limit on the amount of unsecured credit extended by that organized wholesale electric market shall be no more than \$50 million for the corporate family.
- (b) Adopt a billing period of no more than seven days and allow a settlement period of no more than seven days.
- (c) Eliminate unsecured credit in financial transmission rights markets and equivalent markets.
- (d) Establish a single counterparty to all market participant transactions, or require each market participant in an organized wholesale electric market to grant a security interest to the organized wholesale electric market in the receivables of its transactions, or provide another method of supporting netting that provides a similar level of protection to the market and is approved by the Commission. In the alternative, the organized wholesale electric market shall not net market participants' transactions and must establish credit based on market participants' gross obligations.
- (e) Limit to no more than two days the time period provided to post additional collateral when additional collateral is requested by the organized wholesale electric market.
- (f) Require minimum participation criteria for market participants to be eligible to participate in the organized wholesale electric market.
- (g) Provide a list of examples of circumstances when a market administrator may invoke a "material adverse change" as a justification for requiring additional collateral; this list does not limit a market administrator's right to invoke such a clause in other circumstances.

[Order 741, [75 FR 65962](#), Oct. 27, 2010, as amended by Order 741-A, [76 FR 10498](#), Feb. 25, 2011]