

NEWS RELEASES

FERC Finalizes Credit Risk Management Rule

June 15, 2023

Item E-3

Docket No. [RM22-13-000](#)

FERC today approved a final rule designed to improve credit risk management in the organized wholesale electric power markets. The Commission's Final Rule will allow electric power market operators to share credit-related information among themselves so they can better assess market participants' credit risks.

Today's rule explains that permitting the sharing of credit-related information among market operators could improve their ability to assess market participants' credit exposure across multiple electric power markets. It also could enable market operators to respond to credit events more quickly and effectively, thereby minimizing the overall risks of unexpected defaults by market participants.

The market operators' tariffs currently contain confidentiality provisions that act as barriers to such information sharing.

The final rule and the July 2022 Notice of Proposed Rulemaking demonstrate the Commission's commitment to ensuring that market rules minimize the overall risks of unexpected defaults by market participants and respond to concerns raised at the February 25-26, 2021, FERC staff technical conference on principles and best practices for credit risk management in organized wholesale electric markets.

The final rule takes effect 60 days after publication in the *Federal Register*.

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