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Title 18 – Conservation of Power and Water Resources
Chapter I – Federal Energy Regulatory Commission, Department of Energy
Subchapter B – Regulations Under the Federal Power Act
Part 35 – Filing of Rate Schedules and Tariffs
Subpart J – Credit Practices In Organized Wholesale Electric Markets

Source: Order 741, 75 FR 65962, Oct. 27, 2010, unless otherwise noted.

Authority: 16 U.S.C. 791a-825r, 2601-2645; 31 U.S.C. 9701; 42 U.S.C. 7101-7352.

Source: Order 271, 28 FR 10573, Oct. 2, 1963, unless otherwise noted.

§ 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.
- (h)
 - (1) Subject to paragraph (h)(2) of this section:
 - (i) Permit organized wholesale electric markets to share market participant credit-related information with, and receive market participant credit-related information from, other organized wholesale electric markets for the purpose of credit risk management and mitigation; and

- (ii) Permit the receiving organized wholesale electric market to use credit-related information received from another organized wholesale electric market to the same extent and for the same purposes that the receiving organized wholesale electric market may use credit-related information collected from its own market participants.
- (2) Require the receiving organized wholesale electric market to treat credit-related information an organized wholesale electric market receives from another organized wholesale electric market as confidential under the terms set forth in the tariff or other governing document of the receiving organized wholesale electric market.

[Order 741, 75 FR 65962, Oct. 27, 2010, as amended by Order 741-A, 76 FR 10498, Feb. 25, 2011; Order 895, 88 FR 40707, June 22, 2023]