

INSIGHTS

Big Brother Is Watching: FERC Proposes to Increase Market Surveillance

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Citing the ever-increasing volume and complexity of physical and financial trading in the regional transmission organizations (RTO) and independent system operators (ISO), the Federal Energy Regulatory Commission (Commission) issued a [Notice of Proposed Rulemaking](#) (NOPR) on October 20, 2011. If adopted as a final rule, the proposals in the NOPR will increase dramatically the amount of trading data collected by the Commission for market monitoring. Without altering the role of the market monitors, the proposed rule will augment the oversight responsibilities of the market monitors by providing the Commission the data necessary to review trading activity in and across RTO and ISO regions for illicit or manipulative behavior or ineffective market rules. The Commission also suggested other uses for the data, such as reviewing the scheduling of renewable resources and how renewable energy schedules compare with actual real-time performance. The NOPR proposes to require each RTO and ISO to deliver electronically to the Commission, on an ongoing, non-public basis, data related to the markets that it administers. This data includes any data relating to "physical and virtual offers and bids, market awards, resource outputs, marginal cost estimates, shift factors, FTRs, internal bilateral contracts, and interchange pricing." This information also will include descriptive information, such as market participant names, unique identifiers, and pricing points. Realizing much of the information it plans to collect is non-public, the Commission indicated such information will remain non-public, except that it may reveal certain data, stripped of identifying information, to support proposed market rule changes. To facilitate this voluminous transfer of information, the Commission is proposing to use an automated electronic delivery process, such as a secure file transfer protocol, so that any data would be delivered within seven days after completion of each day-ahead market run or real-time market run; the data would not be provided in real time. Comments on the proposed rule are due 60 days after publication in the Federal Register.