## FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

### **NEWS RELEASE**

#### FOR IMMEDIATE RELEASE

January 22, 2003

# FERC, CFTC Announce Joint Conference on "Credit Issues in the Energy Markets: Clearing & Other Solutions."

**Washington, D.C.** – The Federal Energy Regulatory Commission (FERC) and the Commodity Futures Trading Commission (CFTC) have scheduled a joint technical conference Wednesday, February 5, 2003, to explore, among a number of possible solutions, the feasibility of utilizing clearing to address in a meaningful fashion credit issues in today's energy markets.

The one-day conference, "Credit Issues in the Energy Markets: Clearing and other Solutions," will be held at FERC headquarters, 888 First Street, N.E., Washington, D.C., in the Commission Meeting Room from 8:30 a.m. until 4:30 p.m. All interested parties are invited to attend and there is no registration fee for this conference.

The forum will focus on credit and related liquidity issues affecting energy market participants and will examine possible solutions, including the utilization of CFTC-regulated clearing facilities. FERC Chairman, Pat Wood III and CFTC Chairman James Newsome are scheduled to make opening remarks. A panel of leading experts – including credit analysts, clearing organizations registered with the CFTC, and energy market participants – will discuss the issues (See attached agenda).

"I am pleased that the Commission can facilitate discussion of the potential benefits of a clearing function in certain energy markets," said CFTC Chairman James Newsome. "We are committed to working with other federal agencies to encourage exploration of developments that may enhance market integrity and protect market participants."

"We're delighted that the CFTC is joining us in sponsoring this conference addressing an important problem affecting today's competitive energy markets," FERC Chairman Pat Wood III said. "Together we can help identify procedures we hope will improve energy markets. Making markets work more efficiently helps ensure customers benefit from competition."

For more information, contact Anne Marie Kelly, CFTC: (202) 418-5431, R. David Gary, CFTC: (202) 418-5085, or Bryan Lee, FERC: (202) 502-8680.

### **Agenda for Joint Technical Conference**

## "CREDIT ISSUES IN THE ENERGY MARKETS: CLEARING & OTHER SOLUTIONS"

**February 5, 2003** 

9:00-9:30 a.m.

Welcoming Remarks: Pat Wood III, FERC Chairman

James E. Newsome, CFTC Chairman

Overview: Bill Hederman

Director, Office of Market Oversight and Investigations, FERC

**Jane Kang Thorpe** 

Director, Division of Clearing and Intermediary Oversight,

**CFTC** 

Panel I: Clearing Fundamentals & Oversight 9:30-11:30 am

This panel will focus on issues such as the benefits of centralized clearing, the process of clearing, and how derivatives clearing organizations are regulated by the CFTC. The speakers on this panel include industry experts on clearing and representatives from the CFTC.

Lunch

11:30 a.m. -12:30 p.m.

Panel II: Clearing Models in the Energy Markets 12:30-2:30 p.m.

This panel will consist of representatives from the major clearing providers for energy markets: the New York Mercantile Exchange (NYMEX), London Clearing House (LCH), Guaranty Clearing Corporation, EnergyClear/VMAC, and the InterContinental Exchange (ICE). The panelists will discuss their clearing models and the protections they provide.

Break

2:30-2:45 p.m.

## Panel III: Industry Initiatives & Implementation 2:45-4:30 p.m.

This panel will explore different industry proposed solutions to mitigate credit risk. The speakers will include experts from market participants and industry organizations.