



U.S. Commodity Futures Trading Commission
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NEWS RELEASE

Regulators Ready for Climate Change

Agency Anticipating Largest Commodity Markets

Washington, DC – Government isn't known for getting ahead of the curve—for being nimble or quick, but in Washington today, before a single vote has been cast on Capitol Hill, government regulators are readying themselves for what could be the largest commodity markets in the world (\$2 trillion within five years) if legislation becomes law later this year. "Climate change legislation and the ability of government regulators to ensure that these markets operate free from fraud, abuse and manipulation will be keys to our success in alleviating the ill effects of global warming," said CFTC Commissioner Bart Chilton. The Commodity Futures Trading Commission, or CFTC, has regulated environmental futures markets since the mid-1990s, including the successful oversight of Acid Rain Markets. Carbon trading will be the next big challenge.

U.S. Representative Henry Waxman (D-CA), the Chair of the U.S. House Energy and Commerce Committee says that he expects his committee to pass legislation in this regard by Memorial Day and that the Congress could approve the new law before the end of the year. President Obama, who recently met to with Waxman and members of the committee, has been a staunch advocate for climate change legislation and describes it as one of his key priorities. In light of what may come to pass, Chilton in addition to his role as Commissioner, Chairs a newly expanded panel called the Energy and Environmental Markets Advisory Committee (EEMAC). The EEMAC, Chilton says, will help prepare the government for carbon trading.

The EEMAC membership, which was released today, includes an impressive list of professionals that will help guide the agency. The panel's membership includes 11 recently appointed members: Elizabeth Moler, Executive Vice President of Exelon Corporation and former Department of Energy Deputy Secretary and Chair of the Federal Energy Regulatory Commission (FERC); Eileen Claussen, President of the Pew Center on Global Climate Change; Harvard Professor Robert Stavins; Seth Goldman, President of Honest Tea and Board Member of the Calvert Foundation; Jonathan Schrag, Executive Director of the Regional Greenhouse Gas Initiative Inc.; Gary Gero,

President of the California Climate Action Registry; Heike Eckert, the Executive Vice President of Eurex; Holly Koeppel, Executive Vice President and Chief Financial Officer of American Electric Power; Jack D. Cogen, Chairman of the International Emissions Trading Association; Tyson Slocum, Energy Program Director for Public Citizen; and Dominick Chirichella, a Partner at the Energy Management Institute.

Previously appointed members of the panel include: Dr. Richard Sandor, Chairman and CEO of the Chicago Climate Exchange, often referred to as the “father of financial futures,” and Dr. James Newsome, Director, CME Group and former CFTC Chairman, Jeffrey Sprecher, Laura Campbell, Skip Horvath, Sean Cota, Robert Pickel, Paul Cicio, Bob Anderson, William McCoy, Donald Casturo, Ron Oppenheimer, Kevin Fox, Anthony Mansfield, Brian Kelly, Michael Prokop, and John Shelk.

“This is a distinguished group that will help the agency as we prepare for what could be the most important commodity market ever,” Chilton said. “I know it is sort of rare for government to do a lot of work before a new law is even passed, but carbon markets are too important for us not to get right,” Chilton said, “We need to be ready on day one to put these markets on a solid path to success.” The CFTC has a longstanding history of federal regulation of derivatives trading—from monitoring exchange activity and ensuring financial responsibility to carrying out disciplinary and enforcement actions.