



# Commodity Futures Trading Commission

## Office of Public Affairs

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## Q & A – Final Order on RTO and ISO Exemption for Certain Specified Transactions

### What is the purpose of the final order?

The final order exempts from certain provisions of the CEA the purchase or sale of specifically defined “financial transmission rights,” “energy transactions,” “forward capacity transactions,” and “reserve or regulation transactions” that are offered or sold in a market administered by one of the petitioning RTOs or ISOs pursuant to a tariff or protocol that has been approved or permitted to take effect by FERC or PUCT, as applicable.

### What is the scope of the final order?

To be eligible for the exemption, the specifically defined transactions are required to be entered to by persons who are: (1) “appropriate persons,” as defined in section 4(c)(3)(A) through (J) of the CEA; (2) “eligible contract participants,” as defined in section 1a(18) of the CEA and Commission regulation 1.3(m); or (3) in the business of (i) generating, transmitting, or distributing electric energy, or (ii) providing electric energy services that are necessary to support the reliable operation of the transmission system. The exemption is subject to the continued effectiveness of acceptable information sharing arrangements between the Commission and FERC. The exemption also requires the petitioning RTOs and ISOs to keep Commission requests for information confidential. In addition, the Commission’s anti-fraud and anti-manipulation authority, and scienter-based prohibitions will continue to apply, and the exemption is subject to certain conditions stated within the final order.