



# Commodity Futures Trading Commission

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## Q&A - Final Order to Exempt Certain Specified Transactions of Southwest Power Pool and Amendment to the 2013 Final Order Regarding Regional Transmission Organizations and Independent System Operators

**Why did the Commission issue an exemption for Southwest Power Pool (SPP) separately from the other regional transmission organizations (RTOs) and independent system operators (ISOs)?**

SPP applied to the Commission for an exemption under section 4(c)(6) of the CEA after the exemption order pertaining to the other RTOs and ISOs (RTO-ISO Order) had already been issued. At the time the RTO-ISO Order was issued, SPP did not yet offer the transactions that were the subject of the RTO-ISO Order. The exemption in the SPP order is essentially the same as the exemptive relief the Commission granted in the RTO-ISO Order.

**Will the market participants covered in the SPP order and the RTO-ISO Order, as amended, be subject to private rights of action under CEA section 22?**

No. Both the SPP order and the RTO-ISO Order, as amended, expressly state that the exemptions apply to private actions under CEA section 22 with respect to all provisions of the CEA.

**Why did the Commission change its approach to the private right of action issue between when the Commission issued the proposal to amend the RTO-ISO Order in May 2016 and now?**

The Commission received a substantial number of detailed, well-developed comments in response to the Commission's proposal to amend the RTO-ISO Order to expressly preserve private rights of action under CEA section 22, which was issued in May 2016. Based on those comments, the Commission was persuaded to issue a complete exemption from the private right of action in CEA section 22 in the limited context of the RTO and ISO markets.