

108TH CONGRESS
1ST SESSION

H. R. 1254

To amend the Federal Power Act to provide for market transparency in wholesale sales of electric energy, to prohibit round trip trading of electricity, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2003

Mr. WALDEN of Oregon (for himself, Mr. DEFAZIO, Mr. RADANOVICH, and Mrs. BONO) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Federal Power Act to provide for market transparency in wholesale sales of electric energy, to prohibit round trip trading of electricity, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Truth in Electricity
5 Trading Act of 2003”.

6 **SEC. 2. MARKET TRANSPARENCY RULES.**

7 Part II of the Federal Power Act is amended by add-
8 ing the following new section at the end thereof:

1 **“SEC. 215. MARKET TRANSPARENCY RULES.**

2 “(a) COMMISSION RULES.—Not later than 180 days
3 after the date of enactment of this section, the Commis-
4 sion shall issue rules establishing an electronic information
5 system to provide the Commission and the public with ac-
6 cess to such information as is necessary or appropriate
7 to facilitate price transparency and participation in mar-
8 kets subject to the Commission’s jurisdiction. Such sys-
9 tems shall provide information about the availability and
10 market price of wholesale electric energy and transmission
11 services to the Commission, State commissions, buyers
12 and sellers of wholesale electric energy, users of trans-
13 mission services, and the public on a timely basis. The
14 Commission shall have authority to obtain such informa-
15 tion from any person, including any entity described in
16 section 201(f), who sells electric energy at wholesale in
17 interstate commerce or provides transmission services in
18 interstate commerce.

19 “(b) EXEMPTIONS.—The Commission shall exempt
20 from disclosure information it determines would, if dis-
21 closed—

22 “(1) be detrimental to the operation of an effec-
23 tive market; or

24 “(2) jeopardize system security.

25 This section shall not apply to an entity described in sec-
26 tion 212(k).”.

1 **SEC. 3. PROHIBITION ON ROUND TRIP TRADING.**

2 Part II of the Federal Power Act is amended by add-
3 ing the following new section at the end thereof:

4 **“SEC. 216. PROHIBITION ON ROUND TRIP TRADING.**

5 “(a) PROHIBITION.—It shall be a violation of this Act
6 for any person, including any entity described in section
7 201(f), willfully and knowingly to enter into any contract
8 or other arrangement to execute a round-trip trade for the
9 purchase or sale of electric energy at wholesale.

10 “(b) DEFINITION OF ROUND-TRIP TRADE.—For the
11 purposes of this section, the term “round-trip trade”
12 means a transaction, or combination of transactions, in
13 which a person or other entity—

14 “(1) enters into a contract or other arrange-
15 ment to purchase from, or sell to, any other person
16 or other entity electric energy at wholesale;

17 “(2) simultaneously with entering into the con-
18 tract described in paragraph (1), arranges a finan-
19 cially offsetting trade with such other person or enti-
20 ty for the same quantity of electric energy so that,
21 collectively, the purchase and sale transactions in
22 themselves result in no financial gain or loss; and

23 “(3) has a specific intent to distort reported
24 revenues, trading volumes, or prices.”.

1 **SEC. 4. CONFORMING CHANGES.**

2 Sections 201(b)(2) and 201(e) of the Federal Power
3 Act are each amended by striking “or 212” and inserting
4 “212, 215, and 216”. Section 201(b)(2) of such Act is
5 further amended by striking “and 212” and inserting “,
6 212, 215, and 216”.

7 **SEC. 5. INCREASED FERC PENALTY AUTHORITY.**

8 (a) COMPLAINTS.—Section 306 of the Federal Power
9 Act (16 U.S.C. 825e) is amended by—

10 (1) inserting “electric utility,” after “Any per-
11 son,”; and

12 (2) inserting “, transmitting utility,” after “li-
13 censee” each place it appears.

14 (b) REVIEW OF COMMISSION ORDERS.—Section
15 313(a) of the Federal Power Act (16 U.S.C. 8251) is
16 amended by inserting “electric utility,” after “person,” in
17 the first place it appears and by striking “any person un-
18 less such person” and inserting “any entity unless such
19 entity”.

20 (c) CRIMINAL PENALTIES.—Section 316 of the Fed-
21 eral Power Act (16 U.S.C. 825o) is amended—

22 (1) in subsection (a), by striking “\$5,000” and
23 inserting “\$1,000,000”, and by striking “two years”
24 and inserting “five years”;

25 (2) in subsection (b), by striking “\$500” and
26 inserting “\$25,000”; and

1 (3) by striking subsection (c).

2 (d) CIVIL PENALTIES.—Section 316A of the Federal
3 Power Act (16 U.S.C. 825–1) is amended—

4 (1) in subsections (a) and (b), by striking “or
5 214” each place it appears and inserting “214, 215,
6 or 216”; and

7 (2) in subsection (b), by striking “\$10,000”
8 and inserting “\$1,000,000”.

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