



June 19, 2014

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Agenda Item A-3

Docket No. AD14-14-000

## FERC to Explore Regional Market Price Formation Issues

The Federal Energy Regulatory Commission (FERC) today initiated a proceeding to evaluate issues regarding price formation in the energy and ancillary services markets operated by Regional Transmission Organizations and Independent System Operators.

The need for energy and ancillary services markets to produce accurate price signals was raised at the Commission's September 2013 capacity markets technical conference and the April 2014 technical conference on the performance of electricity markets during the winter of 2013-2014.

FERC will issue a notice today announcing a series of staff workshops to facilitate a discussion with market operators and their stakeholders on the existing market rules and operational practices related to use of uplift payments, offer price mitigation, scarcity and shortage pricing, and unpriced operator actions.

The first workshop, which staff plans to hold by early September, will explore uplift in detail, while also providing an opportunity to begin a discussion on the scope of remaining topics. Additional workshops will be announced in the coming months on the other price formation topics.

"At a time when the nation is undergoing significant changes in its resource mix, it is crucial that energy and ancillary services markets send the appropriate signals to attract investments needed to sustain reliability. I appreciate staff's work on this important issue and look forward to the workshops," Acting Chairman Cheryl LaFleur said.

FERC has created a web page at [www.FERC.gov](http://www.FERC.gov) for this issue: <http://www.ferc.gov/industries/electric/industry-act/rto/energy-price-formation.asp>

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