

British Columbia Securities Commission

BC Instrument 96-502

**Exemption from derivatives reporting requirements in Multilateral Instrument 96-101 –
Trade Repositories and Derivatives Data Reporting for certain electricity-based derivatives**

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, provides an exemption from Part 3 of Multilateral Instrument 96-101 – *Trade Repositories and Derivatives Data Reporting* for specified derivatives traded on platforms operated by independent system operators.

July 29, 2016

Nigel P. Cave
Vice-Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and sections:- *Securities Act*, section 187

**Exemption from derivatives reporting requirements in Multilateral Instrument
96-101 *Trade Repositories and Derivatives Data Reporting* for certain electricity-based
derivatives**

(Order under section 187 of the Securities Act)

Definitions

1. Terms defined in the *Securities Act* (British Columbia) (the **Act**), in National Instrument 14-101 *Definitions*, Multilateral Instrument Multilateral Instrument 91-101 *Derivatives: Product Determination* or in Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* (MI 96-101) have the same meaning in this Instrument.
2. In this Instrument, the following terms have the meanings defined below:
 - (a) “CFTC” means the United States Commodity Futures Trading Commission;
 - (b) “FERC” means the United States Federal Energy Regulatory Commission;
 - (c) “ERCOT” means the Electric Reliability Council of Texas;
 - (d) “IESO” means the Ontario Independent Electricity System Operator;
 - (e) "ISO/RTO" means any of the following:
 - (i) a person or company regulated by FERC as an independent system operator for electrical power or as a regional transmission organization for electrical power;
 - (ii) ERCOT;
 - (f) “OSC” means the Ontario Securities Commission;
 - (g) “PUCT” means the Public Utility Commission of Texas;
 - (h) "Report" means, in respect of derivatives data relating to a specified derivative, to report, update, amend or supplement, each in accordance with MI 96-101.

Background

3. Part 3 of MI 96-101 requires a reporting counterparty to Report derivatives data relating to a specified derivative.
4. Local counterparties in BC enter into derivatives with IESO and ISO/RTOs that are subject to a requirement to be reported under Part 3 of MI 96-101.

5. The OSC exempts certain derivatives transacted with IESO on the IESO platform from trade reporting requirements under Part 3 of OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the IESO Order).
6. The CFTC exempts certain derivatives of ISO/RTOs from certain provisions of the United States Commodity Exchange Act, including requirements to report those derivatives to a swap data repository. Each of these exempt derivatives are offered or sold on a platform administered by an ISO/RTO pursuant to a tariff or protocol that has been approved or permitted to take effect by FERC or, in the case of ERCOT, PUCT (the CFTC Order).
7. The OSC exempts certain derivatives by Ontario Power Generation Inc. and Ontario Power Generation Energy Trading, Inc. with a ISO/RTO from trade reporting requirements under Part 3 of OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the OSC Order).

Order

8. Considering that it would be in the public interest, the Commission exempts local counterparties from the requirement under Part 3 of MI 96-101 to Report derivatives data relating to a specified derivative if and for so long as the derivative is exempt from reporting requirements under any of the following:
 - (a) the CFTC Order;
 - (b) the OSC Order;
 - (c) the IESO Order.
9. This Blanket Order takes effect on July 29, 2016 and expires on November 30, 2016.