



October 22, 2015

Federal Energy Regulatory Commission  
Secretary of the Commission  
888 First Street, NE  
Washington, DC 20426

**Re: Collection of Connected Entity Data from Regional Transmission Organizations and Independent System Operators** [Federal Energy Regulatory Commission, 18 CFR Part 35, Docket No. RM15-23-000]

Dear Sir/Madam:

In response to the Federal Energy Regulatory Commission's (FERC) proposed amendments to its regulations on reporting of data by regional transmission organizations (RTOs) and independent system operators (ISOs), the Securities Industry and Financial Markets Association (SIFMA) is pleased to provide you with its comments. Our letter will limit its comments specifically to the FERC's consideration of requiring RTOs and ISOs to identify market participants and connected entities by means of a common alpha-numeric identifier, namely, the Legal Entity Identifier (LEI). SIFMA has been in the forefront of helping to establish the Global Legal Entity Identification System (GLEIS), and consequently would like to provide comments on the possible use of LEIs in energy market trade reporting.

SIFMA is strongly supportive of the GLEIS initiative and the benefits to risk management and financial stability that it would provide. The global financial services industry and regulatory community agree that the LEI is a key enabler to significantly improve systemic risk analysis. Regulators globally can play a key role in facilitating the expansion of the LEI system and its related benefits by requiring LEIs to be used broadly in regulatory reporting and other supervisory practices. Consequently, the FERC's use of the LEI for energy market trade reporting would be an important step forward, and would promote the use the global LEI system and the expansion of its scope.

SIFMA welcomes the proposal to use the LEI and agrees with FERC's assessment that the use of this established system would be of great benefit to the FERC. The accurate identification of counterparties is widely recognized as a critical element for enhanced systemic risk monitoring and management, as the G20 has stated: "We support the creation of a global legal entity identifier (LEI) which uniquely identifies parties to financial transactions." (Cannes Summit Declaration<sup>1</sup>).

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<sup>1</sup> <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>


New York

As the FERC notes in its proposal, obtaining an LEI is inexpensive, and the GLEIS serves as a reliable, standardized identification system. While the proposal notes that the GLEIS is relatively new, SIFMA does not believe this should be an impediment. Indeed, progress to date has been significant. As of October 6, 2015, there were more than 395,000 LEIs issued by 27 Local Operating Units (LOUs) from around the globe. The regulatory community has the opportunity to require companies to obtain an LEIs from any of these LOUs for use in regulatory reporting and other regulatory and supervisory purposes. A database of all LEIs issued globally is available through the Global LEI Foundation (GLEIF)<sup>2</sup>.

It is the view of SIFMA that the FERC has an excellent opportunity to help further the goal of creating a robust LEI system while also advancing its own goals to uniquely identify market participants for the purposes of enhanced monitoring of the energy market. LEIs are already proving to be a useful tool for many regulators, having been mandated for use in reporting OTC derivatives transactions by the Commodity Futures Trading Commission as well as through other rules from the Securities and Exchange Commission, Consumer Financial Protection Bureau, Federal Reserve, and Department of the Treasury. In addition, financial regulators from around the globe have also adopted the LEI as part of their reporting requirements.

With the GLEIS already in place, SIFMA urges the FERC to take a leadership role in the continuing advancement of this initiative by including LEIs in its own reporting requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas F. Pri". The signature is fluid and cursive, with the first name "Thomas" and last name "Pri" clearly distinguishable.

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<sup>2</sup> <https://www.gleif.org/en>