

**21 February 2007**

**FOA Initiative to Enhance UK Power Market Liquidity**

**Clearing RFP first step.**

A Request For a Proposal (RFP) to provide clearing services to UK power markets and through that process, to develop a robust reference price/index for power is shortly to be sent out by the Futures and Options Association's Power Trading Committee and Market Design Steering Group.

Earlier this year the Power Trading Committee established a broad-based panel of market users to review the responses from tendering organisations and choose a preferred provider. While it is anticipated that this process might be completed by the end of July, this will depend upon the number of responses received by the panel.

The FOA hopes that any clearing or market infrastructure provider with a particular interest in energy trading will respond to this RFP. They are likely to include existing exchanges, clearing houses and exchange infrastructure providers. Interested parties should confirm their interest as soon as possible with Anthony Belchambers, Chief Executive, Futures and Options Association, 2<sup>nd</sup> Floor, 36-38 Botolph Lane, London, EC3R 8DE.

The RFP is scheduled to be finalised in the coming weeks and issued before the end of April. Potential providers will then have two months to submit their proposals and the panel of market users will review all submissions with a view to making a recommendation at the end of July.

A further detailed announcement will be made to the press when the RFP is ready to be issued.

**NOTES FOR EDITORS**

For further information please contact:

Anthony Belchambers, Chief Executive, FOA  
Tel: +44 (0)20 7929 0090  
Email: [belchambersa@foa.co.uk](mailto:belchambersa@foa.co.uk)

Paul Beynon, Chairman, FOA's Power Trading Committee  
Tel: +44 (0)1793 892 590  
Email: [paul.beynon@rwe.com](mailto:paul.beynon@rwe.com)

John Parry, Rostron Parry  
Tel: +44 (0)20 7490 8062  
Email: [johnparry@rostronparry.com](mailto:johnparry@rostronparry.com)

Patricia Duncan, Public Affairs and Corporate Communications, FOA  
Tel: +44 (0)20 7090 1339  
Email: [duncanp@foa.co.uk](mailto:duncanp@foa.co.uk)

**Power Trading Forum:** the FOA's Power Trading Forum was established in November 2002, to take forward market and regulatory issues on behalf of the power trading community and comprises representatives of the major participants in the wholesale electricity market in the UK.

The remit of the Power Trading Forum and its managing Committee is to:

- represent the interests of the Members of the Forum;
- provide a forum for discussing issues relating to the wholesale electricity market;
- liaise with government, regulatory authorities, trade bodies and other organisations on issues relating to the wholesale electricity market in the UK;
- develop standardised documentation for use in the wholesale electricity market in the United Kingdom;
- develop, where appropriate, industry benchmarks of good practice;
- review and, where appropriate, seek changes to regulation as it effects Forum members.

**Further Information on the FOA Power Trading Forum's Market Design Project may be viewed on <http://www.foa.co.uk/power/power%20trading%20forum/marketdesign.jsp>**

**The Futures and Options Association (FOA):** is an industry trade association for firms and institutions carrying on business in futures, options and other derivatives or which use such products in their business. Its principal role is to represent the interests of its members in the public and regulatory domain and deliver a wide range of support services to the membership.

The FOA fulfils this role by constructive liaison with regulators, government and other political and trade bodies at national, European and international levels; raising public awareness and understanding of the futures and options industry; producing standardised industry documentation, publications and guidelines; delivering training courses and workshops.

The FOA's membership includes banks and financial institutions, brokers, commodity trade houses, energy and power market participants, fund managers, exchanges/alternative trading systems and clearing houses, systems providers, lawyers, accountants and consultants.

In Brussels the FOA was a founder member of the European Parliamentary Financial Services Forum (EPFSF) and is an active member of the EPFSF Advisory Committee. In the United Kingdom the FOA initiated the establishment of an Associate Parliamentary Group (APG) on Wholesale Financial Markets and Services, which was registered at Westminster in December 2002.

The Futures and Options Association  
2<sup>nd</sup> Floor  
36-38 Botolph Lane  
London EC3R 8DE  
Tel: +44 (0)20 7929 0081  
Fax: +44 (0)20 7929 0223  
[www.foa.co.uk](http://www.foa.co.uk)