Financial Reform:
Intended and Unintended Consequences

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THIS IS AN INVESTMENT BANK BEFORE CONGRESS PASSES A REFORM BILL

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There are three distinct trading arenas for power contracts:

**Power Trading: Today’s Landscape**

- **Exchange Traded**
  - Estimated Volume: ~6 Billion MWhs
  - Growth Rate: 20% – 40%
  - OTC Cleared

- **Broker Traded**
  - Estimated Volume: ~15 Billion MWhs
  - Growth Rate: 5% – 10%
  - Not Cleared (Bilateral)

- **ISO - Traded (Financial)**
  - Estimated Volume: ~2 Billion MWh
  - Growth Rate: 5% – 10%
  - “Spot” (Day Ahead)
  - “Forward Spread” (FTR)
  - ~ 9 Billion MWhs
  - Growth Rate: 20% – 40%