

**COMMODITY FUTURES TRADING COMMISSION
CHARTER OF THE ENERGY AND ENVIRONMENTAL MARKETS
ADVISORY COMMITTEE**

(1) Advisory Committee’s Official Designation.

The advisory committee’s official designation is the Energy and Environmental Markets Advisory Committee (“EEMAC”).

(2) Authority.

The EEMAC was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, and subsequently codified in the Commodity Exchange Act, 7 U.S.C. §§ 1 *et seq.*, at 7 U.S.C. § 2(a)(15). Pursuant to 7 U.S.C. § 2(a)(15)(E), the EEMAC is not subject to the Federal Advisory Committee Act, 5 U.S.C. §§ 1001-1014.

(3) Objectives and Scope of Activities.

As set forth in 7 U.S.C. § 2(a)(15)(A)(iii), the EEMAC’s objectives and scope of activities shall be to:

- (a) conduct public meetings;
- (b) submit reports and recommendations to the Commission (including dissenting or minority views, if any); and
- (c) otherwise serve as a vehicle for discussion and communication on matters of concern to exchanges, firms, end users, and regulators regarding energy and environmental markets and their regulation by the Commission.

(4) Description of Duties.

The duties of the EEMAC shall be solely advisory. The EEMAC will provide reports and recommendations on the following topics: market structure of the energy and environmental markets, derivative product offerings in the energy and environmental markets, and unique issues and regulatory challenges in the energy and environmental markets. By simple majority vote, the EEMAC may call for and adopt EEMAC or EEMAC subcommittee reports and recommendations, and also transmit such reports and recommendations to the Commission. EEMAC reports and recommendations shall be developed in consultation with all EEMAC Members and any transmission to the Commission shall include dissenting or minority views, if any. EEMAC subcommittee reports and recommendations shall be deliberated on by the EEMAC before transmission to the Commission. No determination of fact or policy shall be made by the EEMAC on behalf of the Commission. Determinations of actions to be taken and policy to be expressed with respect to EEMAC reports and recommendations shall be made solely by the Commission.

(5) Agency or Federal Official Receiving the Advisory Committee’s Reports and Recommendations.

As set forth in 7 U.S.C. § 2(a)(15)(A)(iii), the EEMAC shall provide its reports and recommendations directly to the Commission.

(6) EEMAC Sponsor.

The EEMAC shall have a “Sponsor” who may be the Chairman of the Commission or a Commissioner. The Commission shall appoint and remove the EEMAC Sponsor. The Sponsor’s role for this non-FACA committee shall be, among other responsibilities, to:

- (a) attend all EEMAC meetings;
- (b) ensure that reports and recommendations made by the EEMAC are provided to the Commission (including dissenting or minority views, if any);
- (c) ensure that the Commission provides the necessary staff and other support for the EEMAC;
- (d) assist the Commission with identifying Members, Associate Members, and subcommittee members; and
- (e) otherwise assist the Commission with carrying out its responsibilities regarding the EEMAC.

(7) Support.

The Commission shall provide necessary support, including staff support, for the EEMAC.

(8) EEMAC Secretary.

At the request of the Sponsor, the Commission shall appoint a Commission employee to serve as the Secretary of the EEMAC and any established EEMAC subcommittees. The Commission may appoint additional Commission employees to serve as Alternate Secretaries for the EEMAC and/or any established subcommittees if necessary. The Sponsor may also request that the Commission remove the Secretary or an Alternate Secretary. The Secretary or Alternate Secretary, among other responsibilities, shall:

- (a) ensure that committee and subcommittee activities comply with 7 U.S.C. § 2(a)(15), agency procedures, and applicable laws and regulations;
- (b) approve or call all EEMAC or subcommittee meetings;
- (c) prepare and approve all meeting agendas;
- (d) attend all EEMAC and subcommittee meetings for their duration;
- (e) assist with scheduling and coordinating EEMAC and subcommittee meetings;
- (f) ensure that EEMAC meetings are publicly noticed;
- (g) adjourn any meeting when the Secretary or Alternate Secretary determines it to be in the public interest;
- (h) chair any meeting when directed to do so by the Sponsor;
- (i) maintain information on committee activities and provide such information to the public, as applicable;
- (j) assist with Member, Associate Member, and subcommittee member appointments and removals; and
- (k) ensure that Members, Associate Members, and subcommittee members receive appropriate training, *e.g.*, EEMAC overview, ethics training.

(9) Estimated Number and Frequency of Meetings.

The EEMAC shall meet at such intervals as are necessary to carry out its functions, but as required by 7 U.S.C. § 2(a)(15)(B)(i), the committee shall not meet less frequently than

two times per year.

(10) Notice for Public Meetings.

There shall be public notice of each EEMAC meeting at least 14 calendar days in advance of the meeting through either a Federal Register notice and/or by announcing the meeting on the Commission's website. The meeting notice will include the time, date, and purpose of the meeting; a summary of the agenda and/or topics to be discussed, and the name of a Commission employee who can be contacted with questions about the meeting.

(11) Members.

(a) Number.

As set forth in 7 U.S.C. § 2(a)(15)(A)(ii), the EEMAC shall have nine Members.

(b) Appointment and Removal.

Members shall be appointed by the Commission. Members may be removed for cause by a vote of the Commission. 7 U.S.C. § 2(a)(15)(B)(ii). The Sponsor shall designate an EEMAC Member to serve as the EEMAC Chair absent the objection of the majority of the Commission. The Sponsor may also designate another Member to serve as the Co-Chair or Vice Chair absent the objection of the majority of the Commission.

(c) Term.

Members shall be appointed to three-year terms. 7 U.S.C. § 2(a)(15)(B)(ii).

(d) Points of View and Qualifications.

As set forth in 7 U.S.C. § 2(a)(15)(C), the Commission shall appoint Members that represent a wide diversity of opinions and a broad spectrum of interests, including hedgers and consumers. Membership balance is not static and the points of view needed may change depending on the EEMAC's work. The viewpoints represented by Members may include, but are not limited to, the following:

- i. Exchanges: includes designated contract markets, swap execution facilities, and/or foreign boards of trade;
- ii. Derivatives clearing organizations;
- iii. Swap data repositories;
- iv. Firms: includes, but is not limited to: swap dealers, major swap participants, futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators, floor brokers, floor traders, and other service providers to market participants within the energy and environmental derivatives markets;
- v. End-users: includes, but is not limited to: energy producers, processors, transporters, manufacturers, merchandisers, purchasers, distributors, or other entities which use the energy and environmental markets to hedge;
- vi. Consumers: includes, but is not limited to: retail customers and public interest groups;
- vii. Regulators; and

viii. Academics.

The EEMAC will consist of members who reflect a wide array of the interests that constitute the energy and environmental markets. To advise the Commission effectively, the EEMAC requires members with demonstrated technical expertise and demonstrated professional qualifications, including experience in the following areas: the characteristics and dynamics of the energy and/or environmental markets; the product offerings in the energy and/or environmental markets; and the regulatory challenges presented by the unique nature of the energy and/or environmental markets for entities engaged in these markets. Participants in the energy and environmental markets are among the primary sources of these forms of knowledge and experience, and these entities should be represented by individuals that share in this expertise and can represent their interests in a way that helps the Commission to understand the practical implications of regulatory issues and develop a pragmatic approach to potential solutions.

(e) Broad Outreach, Candidate Selection, and Vacancies

With the assistance of the EEMAC Secretary, the EEMAC Sponsor identifies EEMAC Member candidates through a variety of methods to ensure that there is broad outreach, including to underserved communities, where appropriate, in the call for membership nominations. Such methods may include public requests for nominations for membership; recommendations from existing advisory committee members; consultations with knowledgeable persons outside the CFTC (industry, consumer groups, other state or Federal government agencies, academia, etc.); requests to be represented received from individuals and organizations; and Commissioners' and CFTC staff's professional knowledge of those experienced in the energy and environmental markets.

Following the identification process, the Secretary assists the EEMAC Sponsor with developing a list of proposed Members with the relevant expertise and from a cross section of points of view needed to ensure membership balance. The proposed Members are then submitted by the Secretary to appropriate CFTC staff for review. Finally, the Secretary with the support of Office of the General Counsel staff assists the EEMAC Sponsor with making membership recommendations to the Commission. The Commission, by vote, appoints EEMAC Members.

Each Member who is not a regular government employee ("RGE") shall serve on the EEMAC either as a representative of an organization or identifiable group of persons under the jurisdiction of, or with interests affected by, Commission regulation or as a special government employee ("SGE"). Representative Members convey to the Commission and to the EEMAC the views and interests of the organizations or groups that they represent. SGE Members provide advice to the Commission on the basis of their expertise and best, independent judgment in a manner free from conflicts of interest. The Commission shall not appoint any federally registered lobbyist to serve as an SGE on the EEMAC. RGE members provide their own independent judgment in Committee deliberations, and may provide their agency's or

department's views on matters discussed or deliberated upon at EEMAC meetings.

If there is any Member vacancy, the Commission will make a replacement appointment, using the same procedures and with the same considerations as set forth above.

(f) Compensation and Travel Expenses Reimbursement and Per Diem.

Each Member shall be entitled to per diem and travel expense reimbursement by the Commission, pursuant to 7 U.S.C. § 2(a)(15)(D), unless a Member chooses to waive his or her right to receive per diem and travel expenses reimbursement. Members will not be compensated by the Commission for their services.

(12) Associate Members.

(a) Number.

The EEMAC shall have approximately 9-20 Associate Members.

(b) Appointment and Removal.

The Commission may appoint or remove Associate Members at any time.

(c) Term.

Associate Members may be appointed to one, two, or three-year terms. An Associate Member's term may be extended for up to two-years without reappointment as determined by the Commission.

(d) Points of View and Qualifications.

The Commission shall appoint Associate Members that represent a wide diversity of opinions and a broad spectrum of interests, including hedgers and consumers. Membership balance is not static and the points of view needed may change depending on the EEMAC's work. The viewpoints represented by Associate Members may include, but not limited to, the following:

- i. Exchanges: includes designated contract markets, swap execution facilities, and/or foreign boards of trade;
- ii. Derivatives clearing organizations;
- iii. Swap data repositories;
- iv. Firms: includes, but is not limited to: swap dealers, major swap participants, futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators, floor brokers, floor traders, and other service providers to market participants within the energy and environmental derivatives markets;
- v. End-users: includes, but is not limited to: energy producers, processors, transporters, manufacturers, merchandisers, purchasers, distributors, or other entities which use the energy and environmental markets to hedge;
- vi. Consumers: includes, but is not limited to: retail customers and public interest groups;
- vii. Regulators; and

viii. Academics.

The expertise and experience required to serve as EEMAC Members as set forth in Section 11(d) above shall be the same for EEMAC Associate Members.

(e) **Broad Outreach, Candidate Selection, and Vacancies**

The process for identifying and selecting EEMAC Members and making replacement appointments for vacancies as set forth in Section 11(e) above will also apply to EEMAC Associate Members. Each Associate Member who is not an RGE shall serve either as a representative of an organization or identifiable group of persons under the jurisdiction of, or with interests affected by, Commission regulation, or as an SGE.

(f) **Reporting.**

Associate Members shall provide their reports and recommendations directly to the EEMAC and may not provide reports and recommendations directly to the Commission or any Commission officer or employee. Associate Members shall not have the right to vote on matters before the EEMAC and may not sign or otherwise formally approve reports and recommendations made by the EEMAC to the Commission.

(g) **Compensation and Travel Expenses Reimbursement and Per Diem.**

Associate Members will not be compensated by the Commission for their services and will not be reimbursed or receive per diem from the Commission for travel-related expenses to attend EEMAC meetings.

(13) **Subcommittees.**

(a) **Establishment.**

The Commission may establish and dissolve subcommittees composed of Members, Associate Members, and/or other persons appointed by the Commission as subcommittee members to support the work of the EEMAC.

(b) **Membership.**

The Commission seeks to ensure that the membership of an EEMAC subcommittee is balanced relative to the particular issues addressed by the subcommittee. The number of members on any EEMAC subcommittee will not exceed the total number of Members and Associate Members. EEMAC Members and Associate Members may, with the Sponsor's approval, serve on any EEMAC subcommittee. Non-EEMAC Members and non-EEMAC Associate Members shall be appointed by the Commission. EEMAC subcommittee members shall be subject to the same terms that apply to Associate Members as set forth in Sections 11(b)-(e) above (*i.e.*, Appointment and Removal; Term; Points of View and Qualifications; and Broad Outreach, Candidate Selection, and Vacancies). The Sponsor shall designate an EEMAC subcommittee member to serve as the Chair absent the objection of the majority of the Commission. The Sponsor may also designate another EEMAC subcommittee member to serve as the Co-Chair or Vice Chair absent the objection of

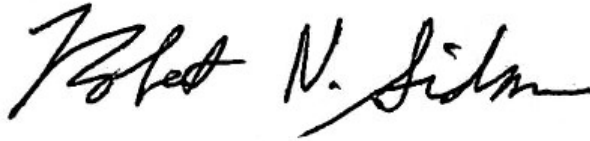
the majority of the Commission.

(c) Reporting.

EEMAC subcommittees shall report directly to the EEMAC and may not provide reports and recommendations directly to the Commission, or to any Commission officer or employee. An EEMAC subcommittee may, by simple majority vote, adopt and transmit its reports and recommendations to the EEMAC. EEMAC subcommittee reports and recommendations shall be developed in consultation with all EEMAC subcommittee members and any transmission to the EEMAC shall include dissenting or minority views, if any. EEMAC subcommittees shall have no authority to make decisions on behalf of the EEMAC. No determination of fact or policy shall be made by any EEMAC subcommittee on behalf of the Commission.

(14) Recordkeeping.

Records of the EEMAC and any subcommittees are maintained in accordance with the General Records Schedule and other Commission records guidance.



Robert N. Sidman
Deputy Secretary of the Commission

Dated: October 24, 2024
Washington, D.C.