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September 21, 2015

Christopher Kirkpatrick, Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Self-Certification Filing 15-101, ICE Futures US, Rule Amendment Proposal, New York Independent System Operator Zone G Futures Contracts**

Dear Mr. Kirkpatrick:

Exelon Generation Company (“Exelon Generation” or “Exelon”) appreciates the opportunity to provide the Commodity Futures Trading Commission (“Commission” or “CFTC”) with comments in response to the Commission’s request for public comment on the stay of a rule amendment self-certification filing<sup>1</sup> by the Intercontinental Exchange Futures U.S. (“ICE”) to increase position limits, single-month accountability levels, and all-month accountability levels for eight financial power futures contracts traded in Zone G, Hudson Valley of the New York Independent System Operator (“NYISO”) day ahead and real-time power markets. Exelon supports the recommendations made in comments submitted in this proceeding by the Electric Power Supply Association jointly with the Edison Electric Institute (collectively the “Joint Associations”).<sup>2</sup> Exelon requests that the Commission determine that the ICE filings and request for an increase in position limits for power trading contracts is consistent with applicable provisions of the Commodity Exchange Act and implementing regulations.<sup>3</sup>

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<sup>1</sup> CFTC Notification of Stay: ICE Futures U.S. Inc. Submission No. 15-101, dated May 11, 2015 (issued May 26, 2015) (“CFTC Comment Request”), available [online](#); CFTC ICE Futures U.S. Submission 15-01; ICE Futures U.S. Submission 15-01 Supplemental (collectively “ICE Filings”), available [online](#).

<sup>2</sup> Comments of the Electric Power Supply Association and Edison Electric Institute (September 21, 2015), available [online](#).

<sup>3</sup> Commodity Exchange Act, Section 5c(c)(1)-(2); 17 C.F.R. §§ 40.6(c)(1), 40.7(a)(3)

### Statement of Interest

Exelon Generation is one of the largest competitive power generators in the U.S., with more than 30,000 megawatts (“MW”) of owned capacity, comprising one of the nation’s cleanest and lowest-cost power generation fleets including nuclear, fossil, hydroelectric, solar, landfill gas, and wind generation assets, located in a number of organized markets. Exelon owns and/or operates 24 of the nation’s 100 nuclear reactors in five states and is the nation’s largest owner and operator of nuclear generation, with plants located in Illinois, Pennsylvania, Maryland, New Jersey, and New York. Exelon also owns and operates 1,640 MW of hydroelectric generation, 410 MW of solar, and 1,420 MW of wind, making Exelon one of the nation’s leading renewable generators. Exelon Generation markets wholesale energy and capacity products to municipal, cooperative, and investor-owned utilities, retail suppliers, power marketers, and other commodity merchants. Constellation NewEnergy, Inc. (“CNE”), a subsidiary of Exelon Generation, provides electricity and/or energy-related services to retail customers in every state in the Continental U.S. and the District of Columbia, serving more than 150,000 business customers and two and a half million residential customers nationwide. Exelon accesses centrally traded and cleared futures markets like ICE for the purpose of hedging and managing risk associated with these business activities. Therefore, Exelon Generation has a direct and significant interest in the outcome of the self-certifying rule amendment request from ICE before the Commission.

### Comments

As explained by the Joint Associations, the amount of electricity supply that is readily available to serve customers is a function of contracted capacity, generation, and grid imports from neighboring systems. Therefore, the inclusion of total transfer capability toward deliverable supply is consistent with the CFTC working definition which states that deliverable supply is “the quantity of the commodity meeting a derivative contract’s delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract’s delivery points during the specified delivery period, barring abnormal movement in interstate commerce”.<sup>4</sup>

As requested in the Joint Association comments, the CFTC should determine that deliverable supply estimates are appropriately measured on the basis of available total transmission capacity *and* total generation capacity, not merely on the basis of load. Load represents the demand for power, not the capacity of the system to supply power at a particular location. The process the NYISO utilizes to balance supply and demand is an economic optimization process that is not relevant to the determination of deliverable supply. This economic optimization process determines the least-cost combination of supply resources that satisfies customer demand and system constraints (e.g., system reliability) at a moment in time. It does not determine or limit deliverable supply, which is a measure of

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<sup>4</sup> Final Rule and Interim Final Rule, Position Limits for Futures and Swaps, 17 CFR 1,150-51 (2011), available [online](#).

system capability. Deliverable supply therefore should not be treated as a function of load, nor should load be determinant of deliverable supply.

Therefore, Exelon Generation supports the Joint Associations' comment submission in the instant proceeding and requests that the Commission adopt the proposals and requests therein.



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