



Via <http://comments.cftc.gov>

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 (May 11, 2015)

Dear Mr. Kirkpatrick:

BP Energy Company (“BPEC”) appreciates the opportunity to provide the Division of Market Oversight (“DMO”) with brief comments regarding the ICE Futures U. S. Inc.’s (“ICE”) Submission No. 15-101, which certifies amendments to Resolution No. 2 of Chapter 18 of ICE’s Rulebook.¹ That filing proposes 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”), based on ICE’s updated calculation of deliverable supply in the cash market. BPEC supports the amendment proposed by ICE and the recommendations made in comments submitted in this proceeding by the Electric Power Supply Association jointly with the Edison Electric Institute (the “Joint Associations”), the International Energy Credit Association (“IECA”), and the Futures Industry Association (“FIA”) ² (collectively, the “Commenters”). BPEC particularly requests that the Commission approve the proposed amendment by ICE to increase the position limits for power trading contracts.

Statement of Interest

BPEC is an active participant in the physical, futures, and swaps energy markets

¹ 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](#).

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



throughout the United States, including the NYISO. BPEC is a marketer of natural gas, electric power, and natural gas liquids. It is also a provisionally registered swap dealer. BPEC manages meaningful risk for end-user customers who seek to hedge and mitigate their commercial risk with commodity derivatives. These risk-management tools mitigate the volatility of buying in the underlying cash markets, particularly in the spot gas and power markets, which in turn reduces price volatility for ultimate consumers. Accordingly, BPEC has a direct and significant interest in this proceeding.

Comments

BPEC supports the statements set forth by the Commenters, that the amount of electricity supply that is readily available to serve load is a function of contracted capacity, generation and grid imports from neighboring systems. BPEC also supports the observation of the Commenters that a more accurate and representative measure of deliverable supply in NYISO Zone G should recognize both the nameplate rating of generation available in Zone G plus the total transfer capability along interfaces into NYISO Zone G from adjacent areas. This is consistent with the Commodities Futures Trading Commission's ("CFTC" or "Commission") definition of deliverable supply:

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.³

Limiting ICE's measure of deliverable supply solely to the "load served" is inconsistent with the measure of deliverable supply set forth by ICE, the Commenters, and the Commission's regulations.

Additionally, BPEC agrees with the Commenters that CFTC staff reviewing such filings should give due deference to the considerable technical expertise of the exchanges to calculate deliverable supply, as it has historically done in the past. More detailed support for the above statements is included in the referenced submissions and BPEC does not wish to duplicate or recast those arguments.

³ Final Rule and Interim Final Rule, Position Limits for Futures and Swaps, 17 CFR 1,150-51 (2011), available [online](#).



To conclude, BPEC supports ICE's proposed amendment providing an increase in the estimate of deliverable supply levels for ICE's NYISO Zone G futures contracts. Approving the ICE request is consistent with the CFTC rules and the Commission's own definition of "deliverable supply."

BPEC thanks the Commission for the opportunity to comment on this filing. Please contact us at the information below if you have any questions.

A handwritten signature in black ink that reads "Mark Stultz".

Mark Stultz
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