



June 15, 2016

Chairman Timothy G. Massad
U.S. Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Chairman Massad:

I am writing to express my concerns with the U.S. Commodity Futures Trading Commission's (CFTC) decision to reopen, and in the case of the Southwest Power Pool, modify, the Commodity Exchange Act Section 4(c) exemption orders provided to each of the nation's Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs). This proposal harms consumers and undermines the more than two decades of effective oversight of the nation's electricity markets by the Federal Energy Regulatory Commission (FERC) and the CFTC. Introducing a private rights of action in the ISO/RTO exemption orders will adversely affect the benefits consumers already receive through FERC and CFTC regulation. I urge the Commission to retain the ISO/RTO exemptions in their current form to ensure private rights of action cannot be exercised with respect to ISO/RTO markets.

There is no question that market manipulation hurts consumers. This is why, on a bipartisan basis, Congress established within the Dodd-Frank Act specific directives to the CFTC and FERC (as well as the Public Utility Commission of Texas (PUCT) in the case of the ERCOT market) to protect market participants and the public without interfering with the existing regulatory roles of the CFTC, FERC, and the PUCT.

The existing 4(c) exemption orders preserve the authority of both CFTC and FERC to use their respective enforcement powers to prevent market manipulation and fraud within the ISO/RTO electricity markets. This, combined with the effective structural protections in those markets, strikes the appropriate balance of regulation to facilitate efficient and effective operation of the markets. This, in turn, benefits consumers. Allowing private rights of action as proposed by CFTC would only create confusion within the electricity markets and disrupt the regulatory environment to the detriment of consumers. Already, the U.S. Senate has gone on record in opposition to this proposed change through a bipartisan amendment to the pending CFTC Reauthorization bill.

I urge the Commission to respect the clear intent of Congress as expressed in the Dodd-Frank Act and leave the current ISO/RTO exemptions in place. That is the only logical course of action that will protect electric consumers.

Sincerely,

Paul Sukut
CEO and General Manager

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