

DTE Energy - Market Surveillance Panel Consultation.txt
DTE Energy Trading, Inc. would like to provide comment regarding
Congestion Management Settlement Credits (CMSC) in the IMO-Administered
Electricity Market, as such comments are currently being requested by
the IMO.

Since the bulk of our activity in this market is a result of
import/export transactions, instead of owning generation or directly
serving load in Ontario, we will limit our comments to address the
impact of CMSC on import/export transactions.

COMMENTS:

Although we are not opposed to the concept of removing CMSC constrained
off payments for generators or imports, we believe it is premature to
pursue this course of action, until the following occurs:

- 1) A more clear timetable for the implementation of a future LMP market
is created.
- 2) A plan to correct the current disparities between import and export
transactions is created, encompassing CMSC as well as other issues (ie.
lack of IOG for exports vs imports). Currently, the IMO market is
structurally imbalanced (from a fairness perspective) to favor imports
vs exports. A free and open market will only exist once (and if)
equality is granted amongst both types of transactions. This point will
likely become even more important as MISO markets begin to function in
the near future.

We do not believe that it will ultimately be in the IMO's best interest
to single out this issue, while ignoring other market design problems
that can affect interjurisdictional trade to an equal or greater
degree.

If the issue is solely market abuse, or the potential for it to occur,
then we believe the IMO already has a mechanism to monitor and police
such concerns.

If the issue is correct market structure, then we believe efforts to fix
all current and known quirks affecting interjurisdictional trade need
to be addressed. Trade must be fair and equal, whether one is moving
power into the IMO, or removing power from the IMO. Only then, can this
effort be seen as "appropriate" in the broad framework, ensuring
reliability within the IMO markets as well as neighboring regions. Only
then will proper economic signals be communicated to, and with,
neighboring regions.