



DTE Energy Trading Comments for the POLR Roundtable

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About DTE Energy Trading

DTE Energy Trading is a member of the DTE Energy family of energy-related companies which includes electric and gas distribution, energy technologies, energy trading and merchant power.

DTE ET has successfully participated in the 2002, 2003 and 2004 NJ BGS Auctions and is a leading wholesale supplier to Retail Energy Suppliers and municipal customers.



Key Recommendations:

NJ-BGS Auction approach has worked well in providing a high level of competition.

- **Uniform, highly visible methodology**
- **Separate auctions for residential/small commercial and large commercial/industrial recognize differences in shopping potential between customer classes.**



NJ-BGS Auction Approach:

- **Annual auctions procure 1/3 of annual requirements for a term of 3 years.**
- **Securing a portion of the supply every year dampens the price impact of any one year's auction results.**



DTE Energy Trading Recommendations:

- **Credit provision between EDCs and POLR supplier should be bilateral**
- **In the event of an EDC default and the uncertainty of bankruptcy courts, POLR supplier runs the risk of not getting paid.**
- **Risk should be treated symmetrically between EDCs and POLR suppliers.**



DTE Energy Trading Recommendations:

- **Load Cap Limits – percentage limitation on the amount of load that any single supplier may serve.**
- **Load cap limits enhance competition by ensuring sufficient opportunity for numerous suppliers to participate in the auction.**



DTE Energy Trading Recommendations:

- **Commission should provide oversight into changes in transmission that could affect the auction.**
- **Information about the status of the transmission system should be provided in a transparent manner so that market participants have equal access to commercially significant information.**
- **Transmission Owners are responsible for reporting outages to the RTO, RTOs are responsible for posting this information.**



DTE Energy Trading Recommendations:

- **The Commission should consider coordinating the timing of its POLR competition with other states and the PJM Planning Period.**
- **Auctions should be held prior to the ARR/FTR process to allow suppliers to hedge their risk.**
- **Auctions should be properly spaced so as not to have an outsized affect on wholesale prices.**