

FERC Technical Conference on Financial Transactions in PJM Panel 1: FTR Forfeiture Rule Goals and Designs

FERC

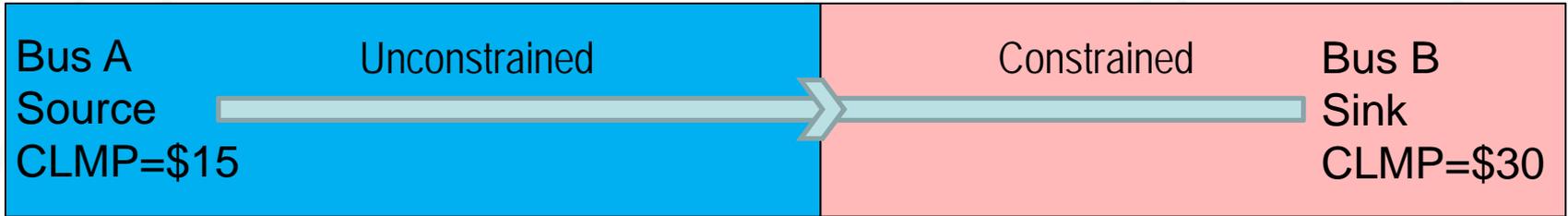
January 7, 2015

Joe Bowring

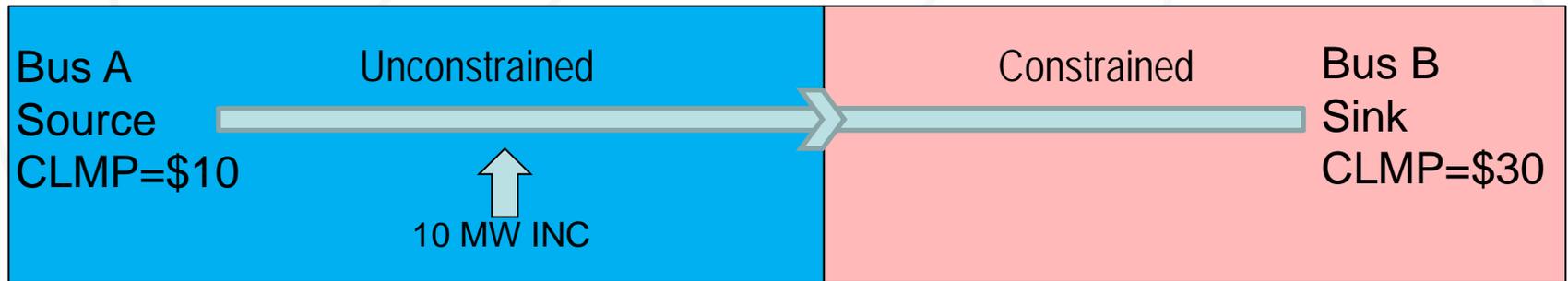


Monitoring Analytics

INC/DEC Impact on FTRs

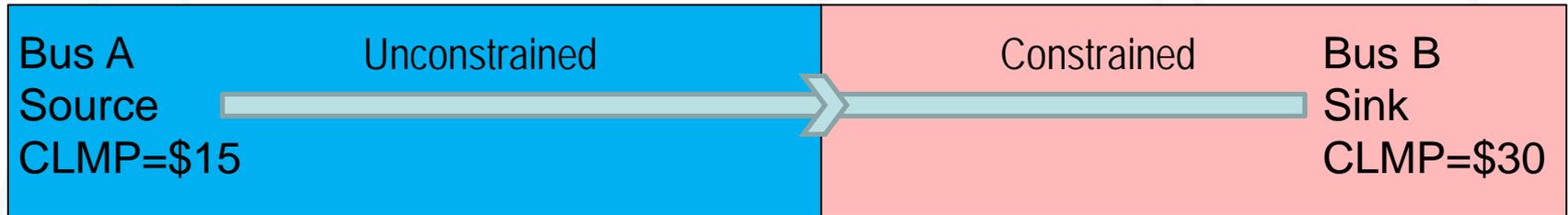


$$\text{Congestion} = 100\text{MW} * (\$30 - \$15) = \$1,500$$

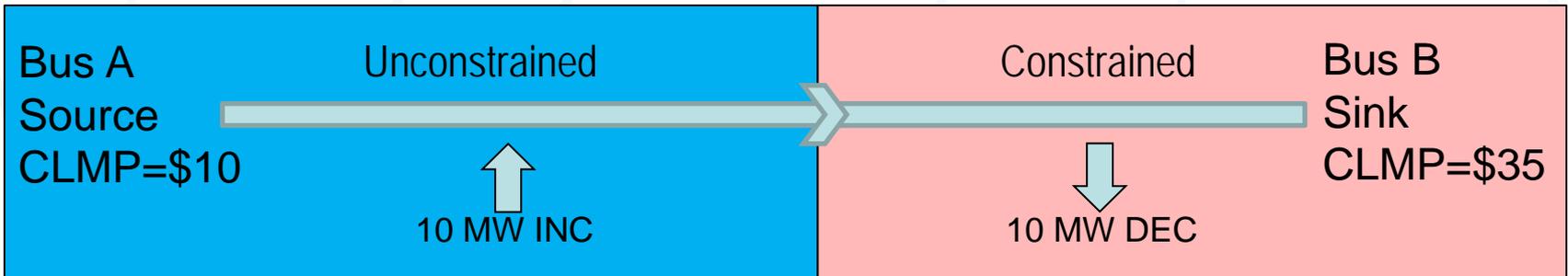


$$\text{Congestion} = 100\text{MW} * (\$30 - \$10) = \$2,000$$

UTC Impact on FTRs

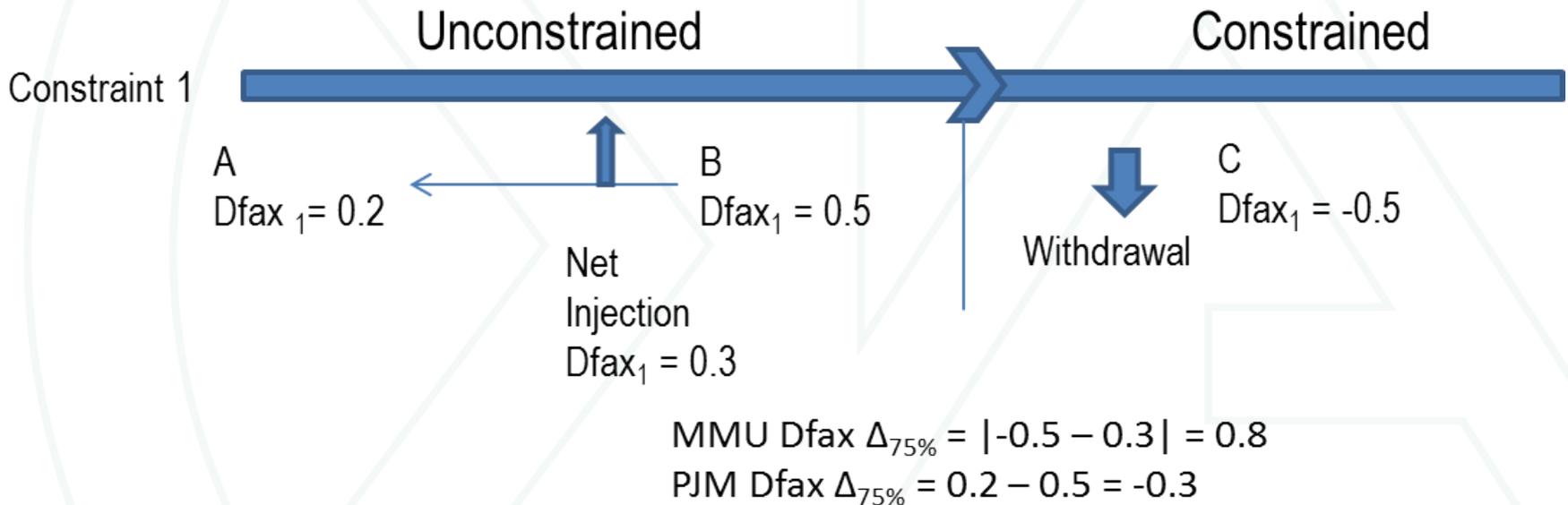


$$\text{Congestion} = 100\text{MW} * (\$30 - \$15) = \$1,500$$

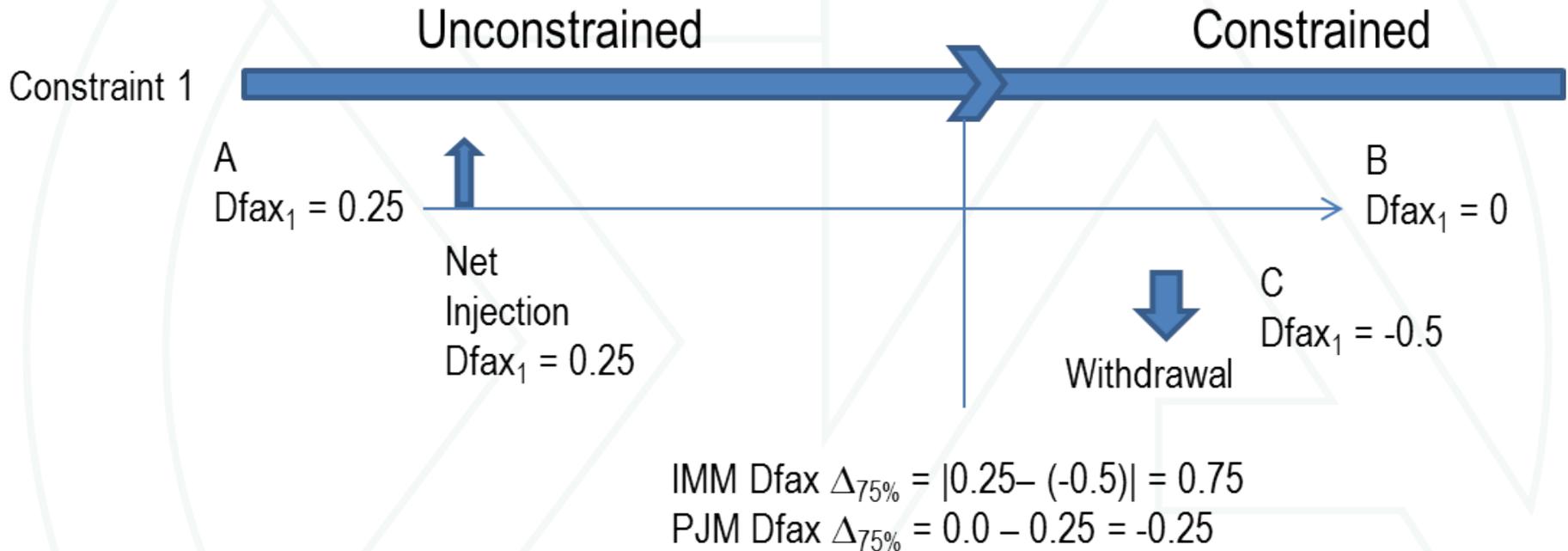


$$\text{Congestion} = 100\text{MW} * (\$35 - \$10) = \$2,500$$

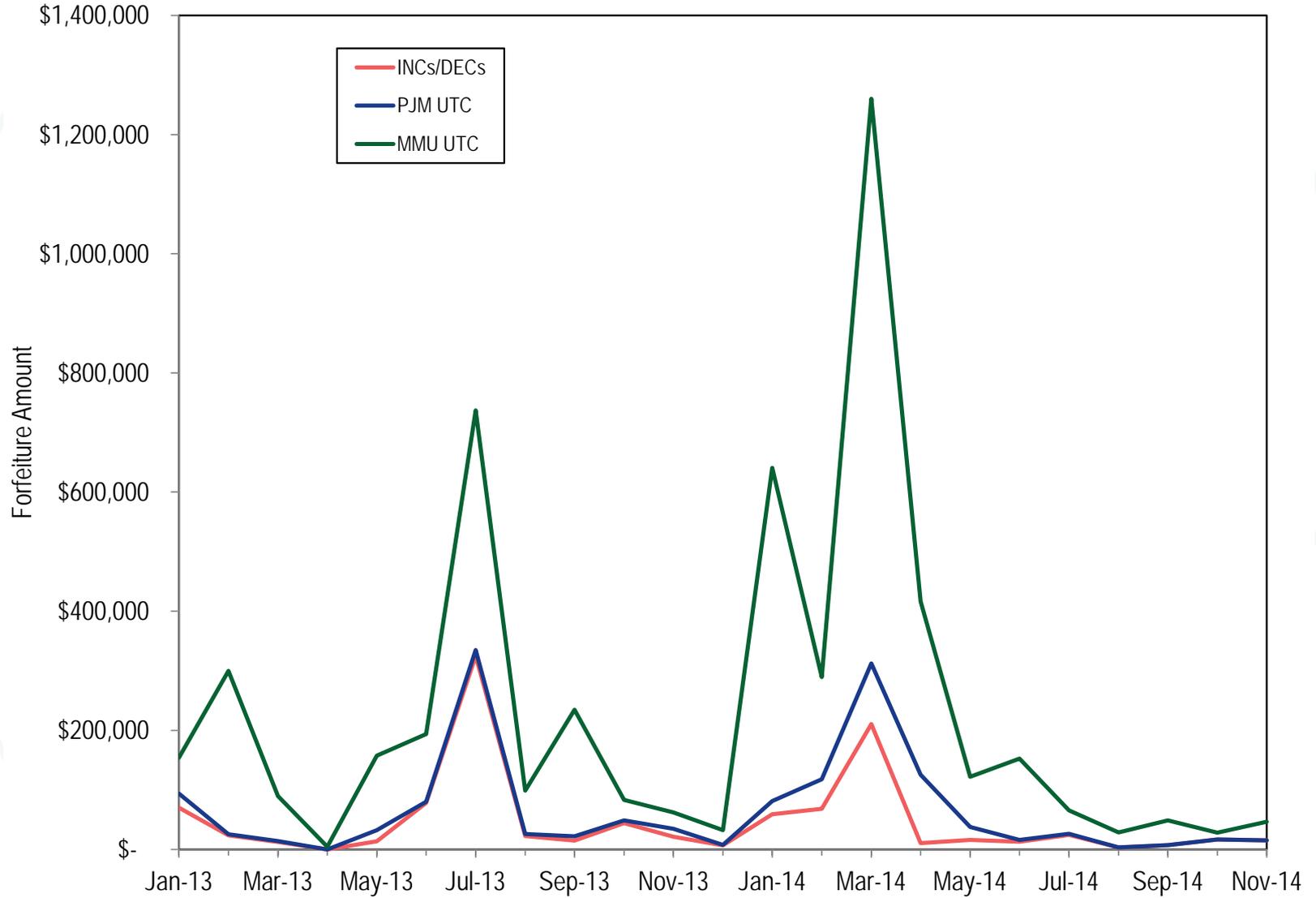
IMM and PJM Approaches to UTC/FTR Forfeiture Rule



Example: UTC Identical to INC



Comparison of FTR Forfeiture Methods



FTR Forfeiture Methods Comparison

	INCs/DECs Only	INC/DEC and UTC PJM approach	INC/DEC and UTC MMU approach	UTC Forfeiture Difference
Jan-13	\$70,344	\$94,020	\$154,085	\$60,065
Feb-13	\$23,572	\$25,560	\$299,613	\$274,053
Mar-13	\$12,828	\$14,101	\$89,667	\$75,566
Apr-13	\$181	\$259	\$4,525	\$4,267
May-13	\$13,934	\$32,346	\$157,643	\$125,297
Jun-13	\$78,336	\$79,992	\$193,798	\$113,807
Jul-13	\$324,836	\$334,992	\$737,116	\$402,124
Aug-13	\$22,428	\$26,163	\$99,019	\$72,856
Sep-13	\$14,926	\$22,246	\$234,737	\$212,491
Oct-13	\$44,272	\$49,030	\$83,059	\$34,029
Nov-13	\$21,576	\$34,802	\$62,377	\$27,575
Dec-13	\$6,988	\$7,903	\$32,576	\$24,673
Jan-14	\$59,187	\$81,411	\$640,471	\$559,061
Feb-14	\$68,440	\$118,024	\$289,399	\$171,375
Mar-14	\$210,656	\$312,404	\$1,260,333	\$947,929
Apr-14	\$10,584	\$125,593	\$416,357	\$290,764
May-14	\$15,956	\$37,866	\$122,246	\$84,380
Jun-14	\$12,970	\$16,181	\$152,504	\$136,323
Jul-14	\$24,331	\$26,509	\$65,755	\$39,247
Aug-14	\$3,380	\$3,637	\$28,537	\$24,900
Sep-14	\$7,169	\$7,414	\$48,931	\$41,517
Oct-14	\$16,845	\$16,845	\$28,279	\$11,434
Nov-14	\$15,275	\$15,275	\$46,511	\$31,236
Total	\$1,079,014	\$1,482,570	\$5,247,538	\$3,764,968



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