



# FTR Ownership Disclosure

**PJM Market Implementation Committee**

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Some proprietary ISO transactions are publicly disclosed while many others are not -- showcasing a fundamental inconsistency

## Proprietary Transaction Disclosures -- Inconsistencies

- **Proprietary results of Capacity Auctions and ARR allocations are never disclosed by PJM**
- **Generation and load transactions are also never disclosed by PJM**
- **Energy transactions, including imports, exports, virtual or convergence bids are only selectively disclosed (e.g., ERCOT) and typically only with a significant delay**
- **Currently PJM publishes the identities of all FTR holders auction awards**
  - Note that ISO-NE in the process of changing (i.e., November 2014 NEPOOL Markets Committee presentation: “FTR auction results will be posted in aggregate, removing participant level detail”)





# The revealing of market participant identity to ISO transactions has market efficiency, transparency and equity considerations

## Inequity and Inefficiency

- **The publishing of granular market participant data can lead to uneven playing field**
  - Allows a participant to monitor the positions of another, enabling discriminatory actions
  - Generally considered anti-competitive
- **Selective disclosure is inequitable**
  - If the “core markets” (e.g., DA and RT markets) are “dark” it enables the exercise of market power or discrimination with respect to secondary markets (e.g., FTR auction) that are more “transparent”
  - Potential for one company to dissect another company’s positions and infer potential avenues for gaining unfair competitive advantages (or cause harm to another participant)
- **Selective disclosure does not improve overall market transparency**
  - ISO markets are extremely complex – and selective non-disclosure of generation, load, and other energy transactions means that results cannot be confirmed or interpreted by third party investigation
  - Transparency into the FTR holdings only exacerbates the problems of non-transparency of the core energy market





## DC Energy Recommendations

### 1) Impose consistency on disclosure of proprietary transactions

- a) Most feasible pathway would be to move to lowest common denominator – e.g., non-disclosure of all proprietary transactions
- b) Significant participant opposition (for many years now) to increasing disclosure across the board

### 2) Move to increase transparency in gradual steps

- a) ARR allocation disclosure should be treated the same as FTR auction results
- b) Initial focus on “core markets” which drive price formation (e.g., Day-Ahead, Real-Time), secondary focus on the “secondary markets” (e.g., Capacity Auctions, Ancillary Services, FTR auctions)
- c) Consistently broaden scope and decrease the time delay
- d) **DCE recommendation:** Post aggregate FTR data after auction completed; “masked” disclosure of FTR ownership results posted 3 months after the annual auction and 6 months after the 3-year auction. Full disclosure one year following respective auctions.

### 3) Long-term objective would be to have full disclosure of all ISO transactions with an appropriate delay

