



Monthly FTR Auction Results Posting Delay Issue Charge

Problem / Opportunity Statement

PJM's Tariff requires PJM to post FTR monthly Auction results within 5 business days after the close of FTR bids and offers period, unless circumstances beyond PJM's control prevents PJM from meeting this objective. During the March, 2017 FTR Auction, PJM experienced a delay in posting FTR Auction results because PJM was unable to reach an optimum FTR solution in a timely manner. It is critical for PJM market participants to know the results of the FTR auction in advance of the delivery period to maintain an accurate position to manage portfolio risks. PJM has concluded that the primary cause of the delay was its existing FTR solution performance when facilitating FTR overlapping periods. Specifically, the existing FTR construct requires that PJM evaluate four overlapping periods (i.e. super overlapping periods) when clearing FTRs for June, September, December and March monthly FTR Auctions. These super overlapping periods significantly impact the FTR solution performance. When PJM conducted a statistical analysis based on historical data, PJM discovered FTR Auctions with super overlapping periods required 52 to 107 hours per FTR case execution time while other FTR Auctions without super overlapping periods required 4 to 15 hours per FTR case execution time.

PJM also has observed similar delays during its March, 2016 FTR Auction and is concerned that these delays might reoccur in the future. Therefore, PJM believes that it is necessary to develop alternatives to minimize potential future FTR posting delays.



Issue Source

FTR solution posting delays observed during March, 2016 and March, 2017 FTR Auctions.

Stakeholder Group Assignment

PJM proposes that this issue be addressed at the Market Implementation Committee (MIC).

Key Work Activities

The MIC will need to focus on following work activities:

1. Education on the current challenges impeding timely FTR Auction results postings
2. Explore potential alternatives to improve FTR case execution time including but not limited to the elimination of super-overlapping periods

Expected Deliverables

The MIC will be expected to deliver:

1. A recommendation to the MIC on any necessary FTR market changes and respective OATT/OA/manual revisions to address this problem

Expected Overall Duration of Work

PJM would like to complete this issue through the stakeholder process by November 30, 2017 for implementation for the March, ~~2018~~ 2017 FTR Auction

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal