

FTR Forfeiture Rule Discussion

MIC

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Background

- **Some stakeholders believe that the FTR Forfeiture Rule may be too restrictive and may:**
 - **forfeit “legitimate business activity”**
 - **deter virtual activity/use of virtual products**

Background

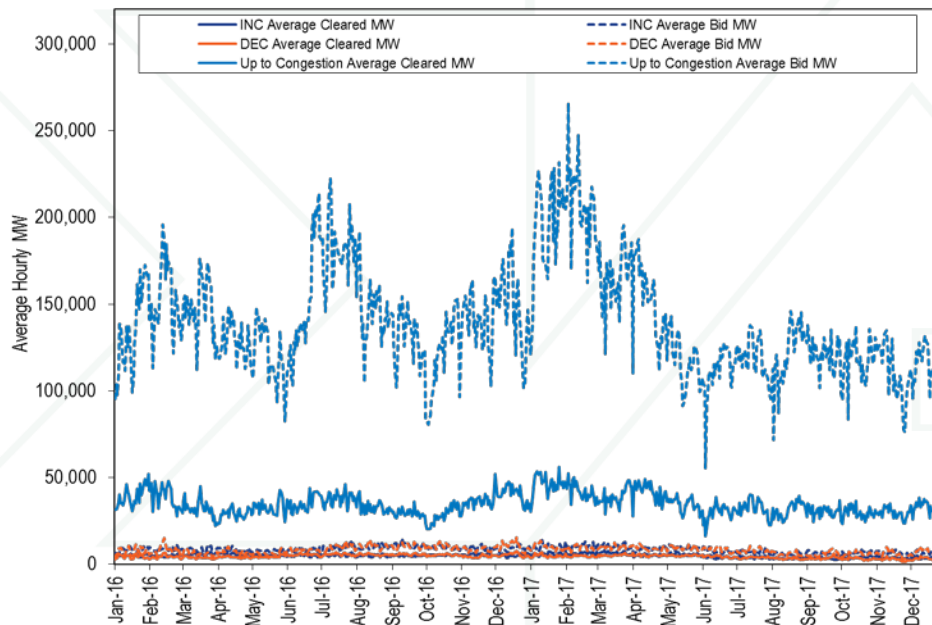
- **No evidence to support these concerns**
 - **Rule correctly includes flows from hubs and interfaces, as required by the FERC order.**
 - **Virtual activity/use of virtual products by FTR Holders continues.**
 - **FTR holders still clearing virtual bids/offers with no forfeiture.**
 - **FTR forfeitures are down since billing started.**

Average hourly number of cleared and submitted INCs and DEC's by month: 2016 and 2017

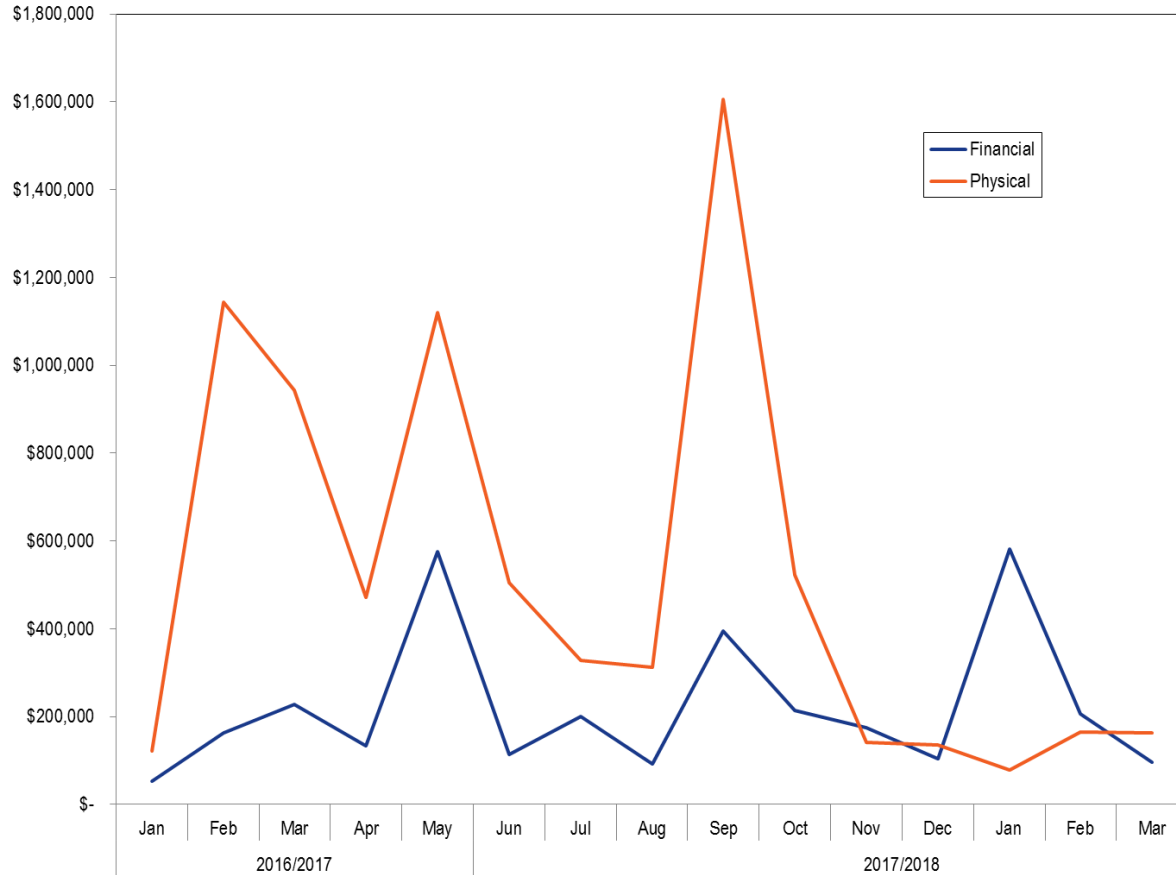
| Year | Increment Offers | | | | Decrement Bids | | | |
|-------------|--------------------|----------------------|------------------------|--------------------------|--------------------|----------------------|------------------------|--------------------------|
| | Average Cleared MW | Average Submitted MW | Average Cleared Volume | Average Submitted Volume | Average Cleared MW | Average Submitted MW | Average Cleared Volume | Average Submitted Volume |
| 2016 Jan | 4,350 | 6,447 | 78 | 398 | 5,153 | 7,320 | 76 | 295 |
| 2016 Feb | 4,754 | 7,109 | 116 | 578 | 4,511 | 7,445 | 72 | 409 |
| 2016 Mar | 4,973 | 8,689 | 142 | 760 | 4,305 | 8,894 | 101 | 648 |
| 2016 Apr | 4,511 | 6,351 | 187 | 558 | 3,453 | 6,990 | 84 | 451 |
| 2016 May | 5,089 | 7,459 | 181 | 656 | 4,171 | 6,823 | 94 | 404 |
| 2016 Jun | 4,592 | 7,043 | 143 | 697 | 4,196 | 6,696 | 89 | 410 |
| 2016 Jul | 4,101 | 6,534 | 128 | 745 | 3,335 | 5,830 | 86 | 448 |
| 2016 Aug | 4,457 | 6,956 | 135 | 749 | 3,433 | 5,506 | 74 | 398 |
| 2016 Sep | 4,527 | 6,772 | 148 | 733 | 4,391 | 7,030 | 112 | 437 |
| 2016 Oct | 4,631 | 7,112 | 199 | 846 | 3,990 | 6,757 | 112 | 462 |
| 2016 Nov | 5,022 | 7,822 | 223 | 1,008 | 3,671 | 6,435 | 109 | 482 |
| 2016 Dec | 5,102 | 7,775 | 189 | 1,010 | 4,028 | 6,869 | 129 | 486 |
| 2016 Annual | 4,675 | 7,175 | 156 | 729 | 4,051 | 6,879 | 95 | 444 |
| 2017 Jan | 5,855 | 10,169 | 205 | 1,288 | 4,811 | 9,753 | 136 | 821 |
| 2017 Feb | 6,058 | 10,590 | 266 | 1,430 | 4,599 | 9,326 | 149 | 784 |
| 2017 Mar | 6,427 | 10,516 | 312 | 1,669 | 5,170 | 9,915 | 170 | 1,019 |
| 2017 Apr | 5,115 | 8,860 | 280 | 1,401 | 5,139 | 8,986 | 178 | 776 |
| 2017 May | 5,643 | 9,724 | 278 | 1,286 | 5,030 | 9,188 | 164 | 768 |
| 2017 Jun | 3,961 | 7,705 | 193 | 1,153 | 4,314 | 8,257 | 173 | 831 |
| 2017 Jul | 3,921 | 7,087 | 233 | 1,014 | 3,807 | 7,828 | 167 | 779 |
| 2017 Aug | 3,418 | 5,951 | 279 | 1,022 | 3,209 | 5,845 | 169 | 593 |
| 2017 Sep | 3,537 | 6,201 | 190 | 919 | 3,502 | 6,076 | 139 | 603 |
| 2017 Oct | 3,927 | 6,498 | 309 | 1,128 | 3,111 | 6,008 | 168 | 586 |
| 2017 Nov | 3,558 | 6,454 | 290 | 1,240 | 2,632 | 5,970 | 179 | 683 |
| 2017 Dec | 3,404 | 6,029 | 234 | 1,102 | 3,138 | 7,400 | 177 | 793 |
| 2017 Annual | 4,562 | 7,968 | 256 | 1,220 | 4,035 | 7,874 | 164 | 753 |



Daily bid and cleared INCs, DECs, and UTCs (MW): 2016 and 2017



Forfeitures



Joint IMM and PJM effort

- **Perceived participant issue was the result of unexpected changes in the capability of specific MISO/PJM flowgates.**
- **Continue to evaluate flowgate line ratings.**
- **No indication that PJM DA line ratings are incorrect based on PJM/MISO JOA.**

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