



FTR Bilateral Reform Filing

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- PJM’s Financial Transmission Rights (“FTR”) Bilateral Agreement Reform filing (ER24-374) was submitted on November 9, 2023. The filing:
 - Required the seller to have no continuing interest in a FTR bilateral once sold;
 - Required the reporting of primary economic terms;
 - Established 48-hour time period for reporting the submission of the agreement; and
 - Required the bilateral agreement to be submitted to PJM.

- On November 30, 2023, in response to the filing, the Independent Market Monitor (“IMM”) filed a Protest which:
 - Objected to the existence of the FTR bilateral market urging FERC to open a FPA 206 proceeding;
 - Agreed the filing does not determine the criteria for consent by PJM;
 - Required the indemnification of the ultimate beneficial owner;
 - Argued that the primary economic terms should be included in the Tariff;
 - Argued that the prohibition against the continuing interest is at odds with the indemnification provisions of Attachment DD; and
 - Argued that PJM should include definition of continuing interest in the Tariff provision.

- On December 14, 2023, FERC issued a Notice of Deficiency with respect to the filing requesting that PJM:
 - Reconcile the continuing interest provision with the existing indemnification provisions in the Tariff;
 - Identify how the price field is incorporated in the Tariff; and
 - Identify the Tariff language that pertains to the primary economic terms.

- PJM's response to the Notice is due on January 15, 2024. PJM anticipates that its answer will:
 - Distinguish a continuing interest as condition or right of the seller as opposed to the indemnification which is an obligation of the Seller to PJM; and
 - Demonstrate how the price field as well as the additional primary economic terms to be reported within FTR Center are incorporated into the Tariff.
 - PJM is also considering Tariff language in the event FERC issues a compliance filing to facilitate implementation.