

Operating Reserves Educational Session Negative Congestion Allocation

Energy Market Uplift
Senior Task Force
September 17, 2013

Joseph Bowring
Joel Romero Luna



Monitoring Analytics

Inputs to Negative Congestion Allocation

FTR Negative Target

Always negative. Hourly amount paid by holders of FTRs with negative target allocation.

FTR Positive Target

Always positive. Expected hourly amount to be paid to holders of FTR with positive target allocation, if there are sufficient sources.

Net Congestion Charges

Sum of day-ahead and balancing congestion. If positive, net congestion paid by participants. If negative, net congestion paid to participants.

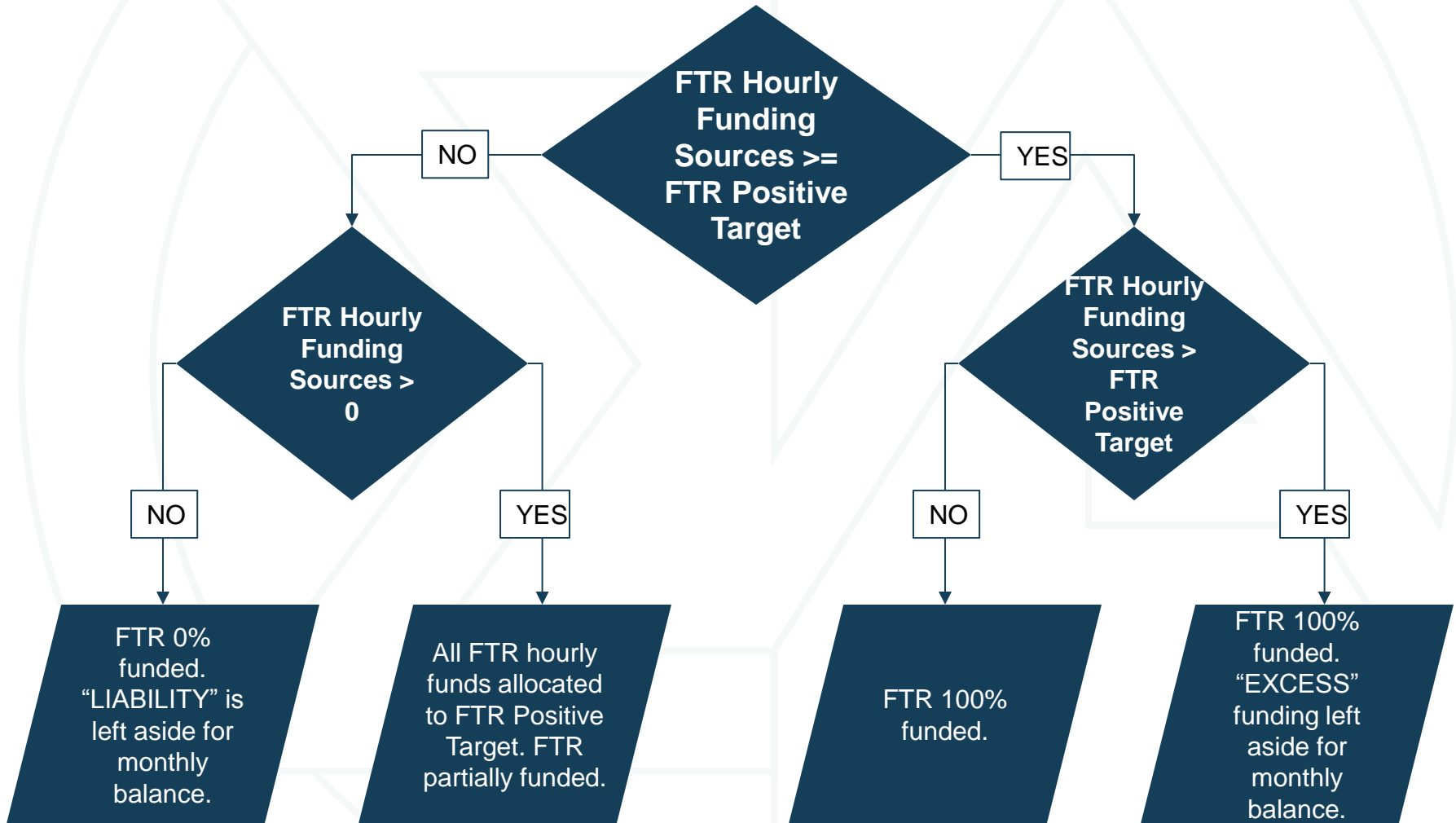
M2M Payments

MISO–PJM market to market payments. If positive, net payment from MISO to PJM. If negative, net payment from PJM to MISO.

Hourly Funding Equation

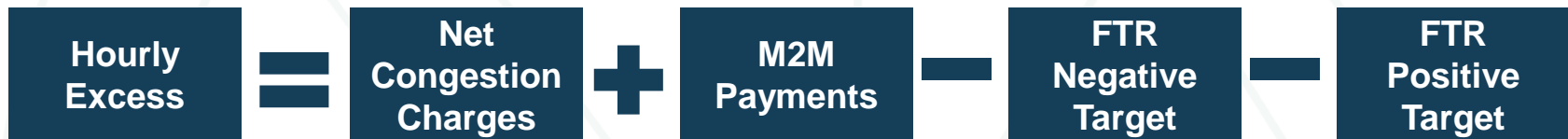


Hourly Allocation Flowchart



Excess vs. Liability

If FTR Hourly Funding Sources > FTR Positive Target then:



Else, Hourly Excess = Zero

If FTR Hourly Funding Sources < 0 then:



Else, Hourly Liability = Zero

Inputs to Monthly Allocation

Monthly Excess

Always positive. Sum of all hourly Excess FTR allocation.

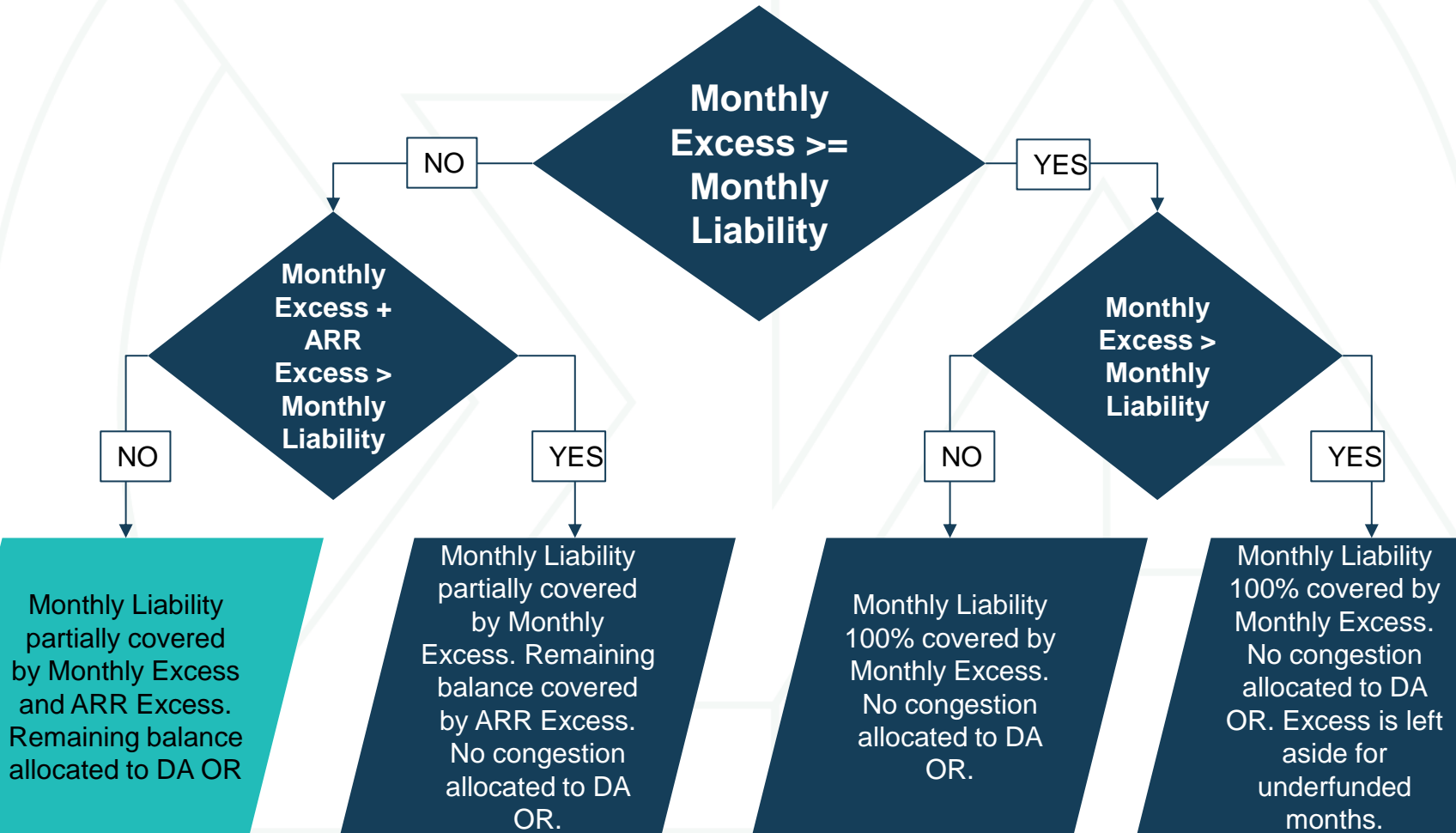
Monthly Liability

Always negative. Sum of all hourly congestion and/or M2M payments not covered by FTR negative target.

ARR Excess

Always positive. Excess collection from monthly auctions.

Monthly Allocation Flowchart



Monitoring Analytics, LLC

2621 Van Buren Avenue

Suite 160

Eagleville, PA

19403

(610) 271-8050

MA@monitoringanalytics.com

www.MonitoringAnalytics.com

