Summary of Stakeholder Responses to Framing Questions
Re-poll of Questions 20, 21, and 22

FRMSTF

June 25, 2019

Q20. What factors should determine the size of the size of position limits?

Responses	#
Should ensure that no portfolio is too big to fail / overall percentage of market volume / largest historical	55
Potential for exercise of market power	27
Potential for large, undiversified congestion reversals	27
Liquidity and the nature of the participant (hedge or spec)	33
Can't see purpose if defaulting portfolios can't be liquidated	2
If hedging activity, then <110% of natural position. If it is a spec position, evaluate the size relative to total size of market at that node; > 25% may represent a large position.	26
When the contract expires – prompt or back-dated	1
Exposure to a single node as % of overall portfolio	1
Should not have position limits	20
[Answer does not address question]	17

Q21. What criteria should be required for exemption from position limits?

Responses	**#**
An exemption should be defined for bona fide physical hedgers (similar to futures exchanges), to some tolerance over natural position (5-10%)	56
Capitalization	1
Exempt prompt month	1
There should be no exceptions	29
[Answer does not address question]	6

Q22. Should PJM introduce a concentration limit, and what should its threshold be?

Responses	**#**
Yes, but not sure what appropriate thresholds should be	24
Yes, about 25%	2
Yes, only for long-term and non-prompt FTRs; could be based on tenor, location, and volume	24
Yes, should be set to a point where a defaulted portfolio could be liquidated without extreme impact to overall market liquidity	2
No	25
No, but provide periodic concentration reports	18
Not sure	5
[Answer does not address question]	2