



Financial Risk Mitigation Senior Task Force

Financial Transmission Right (FTR) External Counterparty Clearing

Megan Heater – Controller
Financial Risk Mitigation Senior
Task Force
June 2, 2021



Cost Analysis: Incremental Expense (Estimated)

Cost Assignment	Year 1	Ongoing
Line of credit/fronted letters of credit	\$11,085,000*	\$8,272,000
Settlement bank cost	TBD	TBD
Employee support	250,000	250,000
System modifications	750,000	-
	\$12,085,000	\$8,522,000

*\$6.085 million line of credit expense, \$5 million fronted letter of credit expense

Origination costs will increase to Year-1 levels every fourth year in conjunction with re-establishment of the borrowing facilities; average cost per year of \$9.4 million

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**Financial Transmission Right (FTR) External
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