



Summary of Changes to Manual 6

Long Term Auction Revisions

1.1 Definition and Purpose of FTRs

Long-term FTR Auction – PJM conducts a Long-term FTR process of selling and buying FTRs through a multi-round process for FTRs for three consecutive planning periods immediately subsequent to the planning period during which the Long-term FTR Auction is conducted. The capacity offered for sale in Long-term FTR Auctions shall be the residual system capability after the assumption that all Auction Revenue Rights allocated in the immediately prior Annual Auction Revenue Rights allocation process, including additional Auction Revenue Rights that become available through an offline annual allocation without the modeling of transmission outages, are scheduled into FTRs, which shall be modeled as fixed injections and withdrawals in the Long-term FTR Auction. Auction Revenue Rights that become available through the offline annual allocation, as further described in the PJM Manuals, are determined only for modeling purposes and will not be allocated to market participants. Additionally, residual Annual Auction Revenue Rights that become available through incremental capability created by future transmission upgrades as further described in the PJM Manuals shall be modeled as fixed injections and withdrawals in the long-term Financial Transmission Rights auction. The long-term Financial Transmission Rights auction model shall include all upgrades planned to be placed into service on or before June 30th of the first Planning Period within the three year period covered by the auction. The transmission upgrades to be modeled for this purpose shall only include those upgrades that, individually, or together, have 10% or more impact on the transmission congestion on an individual constraint or constraints with congestion of \$5 million or more affecting a common congestion path. Transmission upgrades modeled for this purpose also will be modeled in the subsequent long-term Financial Transmission Rights auction, as further detailed in the PJM Manuals. Residual Auction Revenue Rights created by an increase in transmission capability due to future transmission upgrades, as specified above, are determined only for modeling purposes and will not be allocated to market participants.

Comment [BC1]: This is catch up for the LT modeling updates for future transmission

6.1 FTR Auctions Overview

Long-term FTR Auction – PJM conducts a Long-term FTR process of selling and buying FTRs through a multi-round process for FTRs for three consecutive Planning periods immediately subsequent to the Planning Period during which the Long-term FTR Auction is conducted. The capacity offered for sale in Long-term FTR Auctions shall be the residual system capability after the assumption that all Auction Revenue Rights allocated in the immediately prior Annual Auction Revenue Rights allocation process, including additional Auction Revenue Rights that become available through an offline annual allocation without the modeling of transmission outages, are self-scheduled into FTRs, which shall be modeled as fixed injections and withdrawals in the Long-term FTR



Auction. The Long-term FTR Auction is a multi-round auction consisting of three rounds. In each round 1/3 of the feasible FTR available capability is awarded. FTRs that are purchased in one round may be offered for sale in later rounds. Auction Revenue Rights that become available through the offline annual allocation, as further described in the PJM Manuals, are determined only for modeling purposes and will not be allocated to market participants. Additionally, residual Annual Auction Revenue Rights that become available through incremental capability created by future transmission upgrades as further described in the PJM Manuals shall be modeled as fixed injections and withdrawals in the long-term Financial Transmission Rights auction. The long-term Financial Transmission Rights auction model shall include all upgrades planned to be placed into service on or before June 30th of the first Planning Period within the three year period covered by the auction. The transmission upgrades to be modeled for this purpose shall only include those upgrades that, individually, or together, have 10% or more impact on the transmission congestion on an individual constraint or constraints with congestion of \$5 million or more affecting a common congestion path. Transmission upgrades modeled for this purpose also will be modeled in the subsequent long-term Financial Transmission Rights auction, as further detailed in the PJM Manuals. Residual Auction Revenue Rights created by an increase in transmission capability due to future transmission upgrades, as specified above, are determined only for modeling purposes and will not be allocated to market participants.

Comment [BC2]: This is catch up for the LT modeling updates for future transmission

FTRs acquired in the Long-term FTR Auctions have a term of one year ~~or three years.~~

6.1.1 Offline Auction Revenue Right Allocation (new subsection)

Once a year, coincident with the timing of the annual Auction Revenue Rights allocation, PJM will conduct an offline allocation consisting of Stage 1B through Stage 2 Round 3, utilizing the same topology as the normal allocation with the exception that all transmission outages will be removed. In each round, the FTR group will perform the Simultaneous Feasibility test to determine the feasible set of ARR. If all ARR requests are not simultaneously feasible then proration will be required. The resulting, additional ARRs that are created by this change in topology will be carved out of the long-term auction model, in addition to the cleared ARRs, per section 6.1.