

# FTR Auction Update for March, 2017



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Market Implementation Committee  
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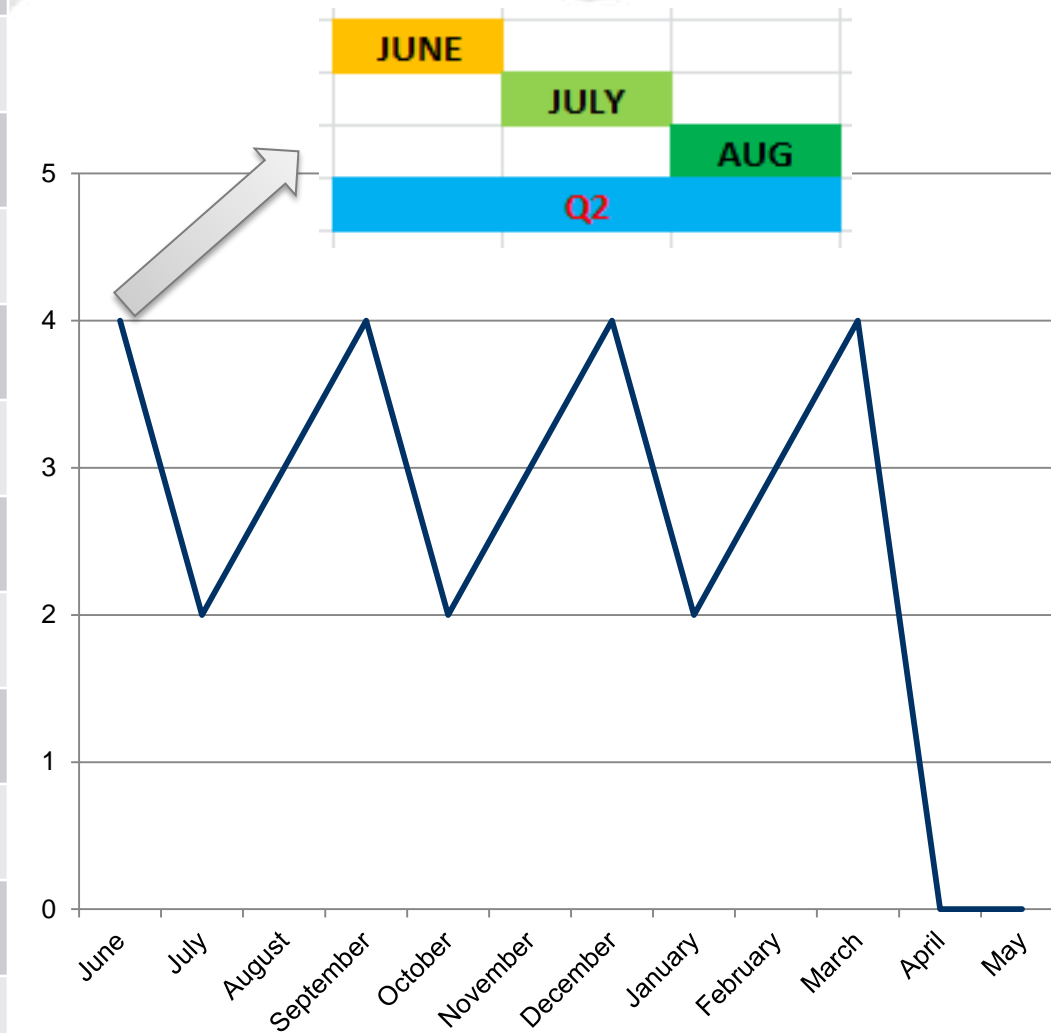
- PJM Tariff requires PJM to post FTR monthly auction results within 5 business days after the close of FTR bid and offer period
  - Unless circumstances beyond PJM's control prevent PJM from meeting this objective
- PJM was unable to post March FTR results within 5 days
  - PJM notified stakeholders
- PJM was able to post the solution on March, 1 2017
  - Although solution was late, paths were awarded for the full periods

- PJM is rarely late in posting auction results
- There have been two late postings in the recent past
  - They were March 2016 and 2017
- PJM found 2 contributing factors impeding PJM's goal to post results generated from an optimized FTR solution

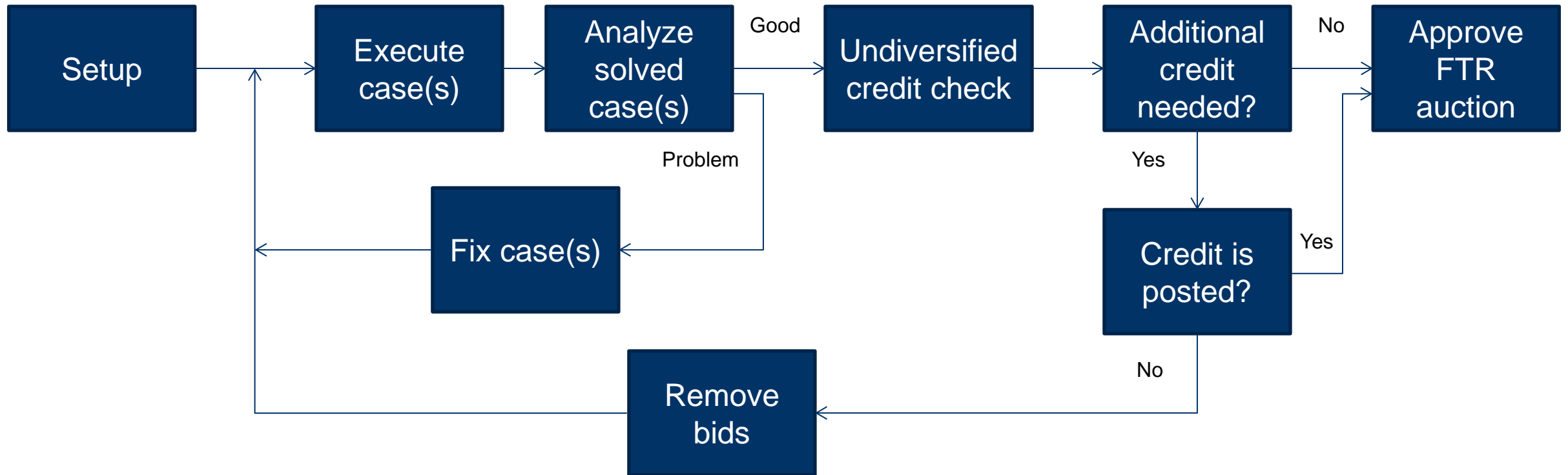
<b>Reason</b>	<b>Impact</b>
Primary - Overlapping Periods	High
Other - Bid Volume, Outages	Medium

Month	Overlapping Periods	#
June	Jun, Jul, Aug, Q1	4
July	Sep, Q2	2
August	Sep, Oct, Q2	3
September	Sep, Oct, Nov, Q2	4
October	Dec, Q3	2
November	Dec, Jan, Q3	3
December	Dec, Jan, Feb, Q3	4
January	Mar, Q4	2
February	Mar, Apr, Q4	3
March	Mar, Apr, May Q4	4
April	Apr	0
May	May	0

## FTR Overlapping Periods

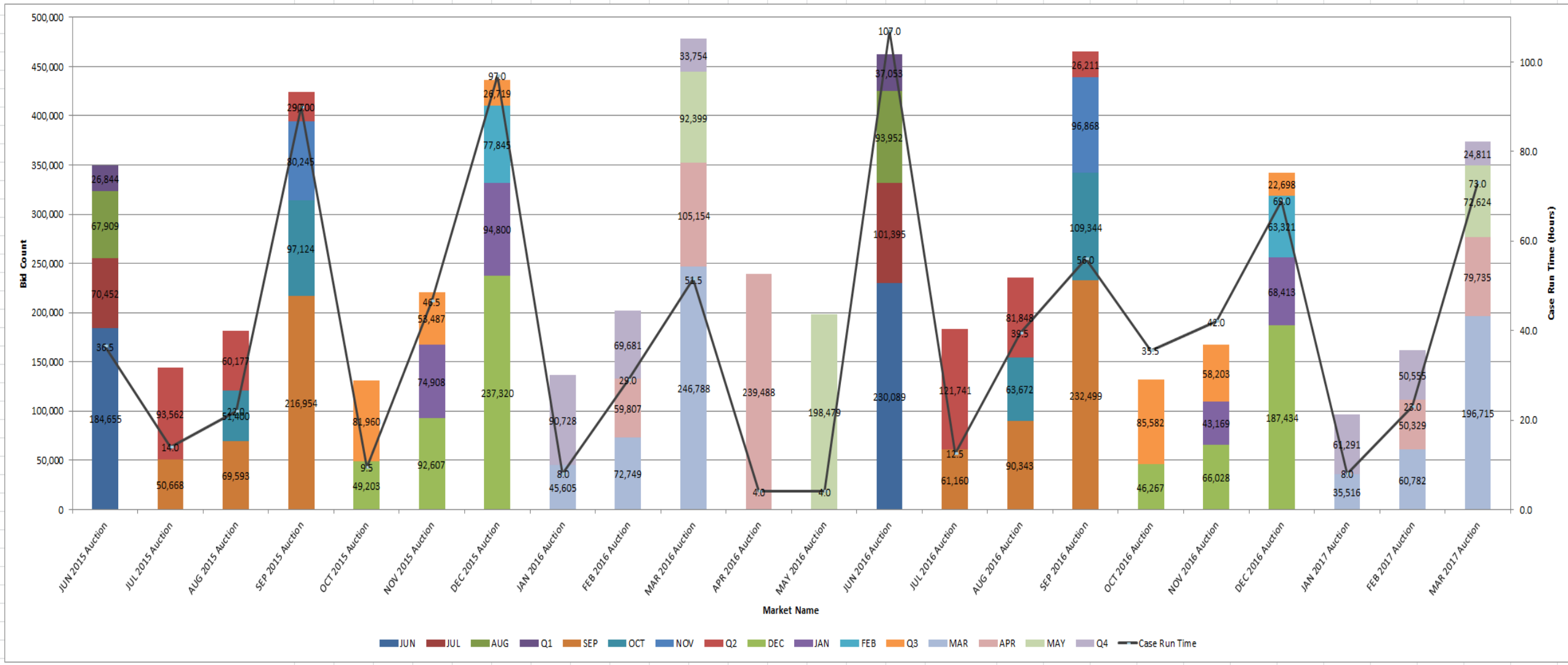


- Both PJM and members expressed concerns with auction delay
- Members requested for PJM to work on the following:
  - Process
  - Data
  - Other RTO/ISO's feedback
  - Simulation
  - Options





# 2) Historical FTR Solution Performance Statistics

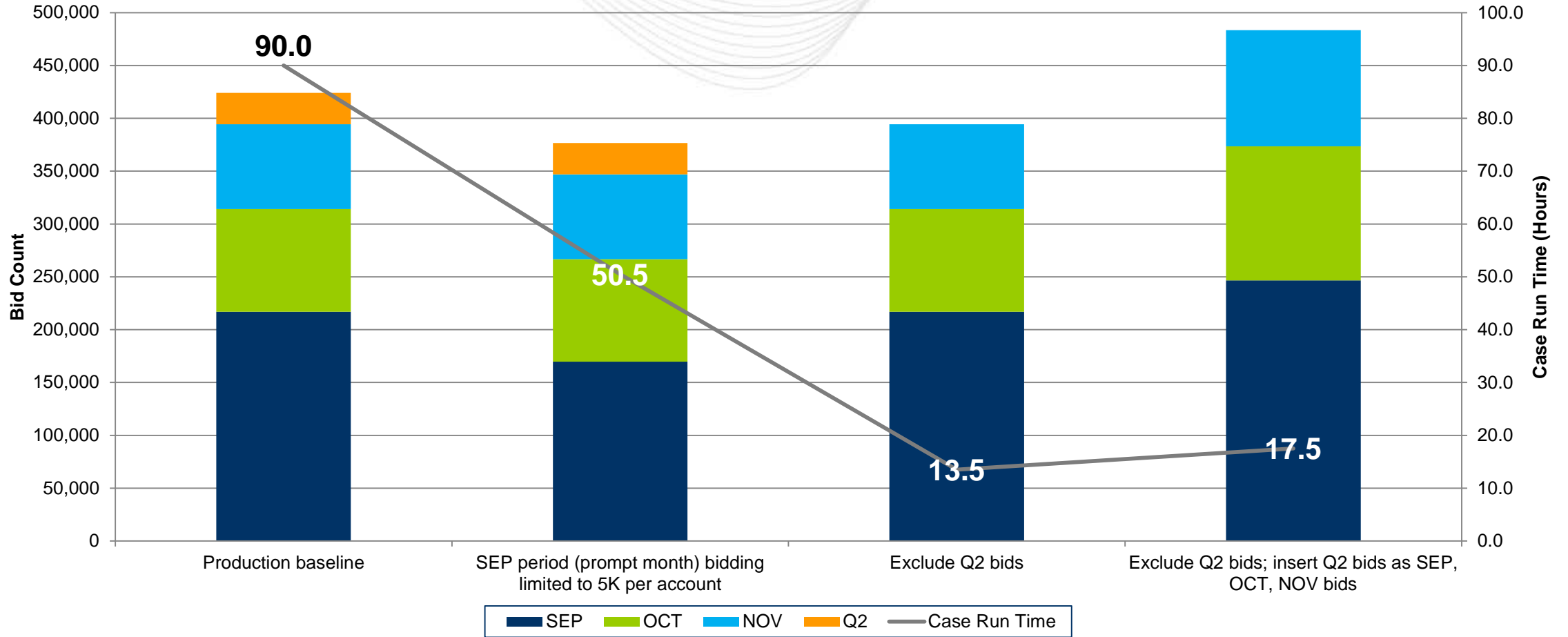


- PJM discussed performance challenges with other ISOs
  - MISO, SPP, CAISO, ISONE
- PJM was informed these ISOs do not facilitate super overlapping periods in their monthly auctions



## 4) Simulation - September Monthly FTR Q2 Auction

- Production baseline
- Reduce the SEP prompt month period bid limit from 10K to 5K bids per account for monthly auction prompt month periods that overlap with a quarterly product
- Exclude overlapping Q2 bids
- Exclude overlapping Q2 bids and insert the overlapping Q2 bids as separate SEP, OCT and NOV period bids



1. Remove overlapping quarterly product from monthly auctions
  - Best performance gain
  - Quarterly products that do not overlap with a biddable calendar month will remain available
  - Investigate increasing the bid limit per period per account to more than 10K as compensation for the loss of the overlapping quarterly product
  
2. Software enhancements
  - Performance gains through improvements in the auction software

1. Remove overlapping quarterly product from monthly auctions
  - No cost option
  - Could be implemented with settings changes using the existing software
  
2. Software enhancements
  - Working with our vendor on auction software performance enhancements that will reduce case run time
  - Will take time to thoroughly test the enhancements before installing into the production FTR system

- Any Next Steps?

