PJM FTR Revenue
and Flowgate Additions
PJM Revenue Inadequacy on Market-to-Market Flowgates

Total PJM FTR Underfunding

- Market to Market Flowgates
- Internal Facilities
One quarter of PJM revenue inadequacy on MISO flowgates occurs within 30 days of the flowgates' activation.

Better coordination prior to flowgate activation would allow the RTOs to reduce congestion and revenue inadequacy associated with new flowgates.
PJM requires internal Transmission Owners to submit facilities to be added for congestion management months ahead of the Annual ARR/FTR process: Deadline is December 1 for facilities to be effective the upcoming Planning Year beginning June 1*

Facilities to be added for congestion management must meet PJM planning criteria*

Results of revenue analysis would be significantly more severe if flowgates added after the annual processes were included

In an effort to develop a reasonable proposal, however, PJM has not suggested notification of new flowgates prior to the Annual auction

* Reference: PJM Manual M-03A, Section 2
The data shows that a disproportionate amount of PJM revenue inadequacy occurs within 30 days of a flowgate’s activation in the M2M process.

Better coordination of flowgate activation would be beneficial in reducing the inadequacy occurring immediately following a flowgate’s activation.

PJM and MISO have agreed on increased coordination leading up to monthly FTR auctions.

However, PJM proposes that an entirely new flowgate should not be added to the M2M process unless and until coordination has had the opportunity to occur.

The non-monitoring RTO’s market participants should not bear the FTR revenue inadequacy impact of near-term flowgate additions by the monitoring RTO.

Adding language to the JOA to allow for mutual agreement on the addition of new flowgates would ensure this coordination occurs.