



Proposal D: 3 Buckets

Risk Management Committee, Minimum Capitalization

March 18, 2025



Proposal

- 3 “buckets” of activity
 - Day-Ahead/Real-Time market
 - FTR Market
 - Capacity Market
- Minimum capitalization starts at \$1m
Tangible Assets per activity except FTR
 - FTR only == \$2 million
 - Virtual + FTR == \$2 million
 - Energy + Capacity == \$2 million
 - Energy + Capacity + FTR == \$3 million
 - No change to Tangible Net Worth of \$5m/\$10m

Day-Ahead/Real-Time includes:

- Physical energy
- Ancillary services
- Demand response
- Virtuals (inc/dec/UTC)
- Load-serving entities



Additional Elements

- Tangible Net Worth remains at *status quo*
 - Requirement is Tangible Assets (TA) or Tangible Net Worth (TNW)
 - \$5m for DA/RT
 - \$10m for FTR (and maybe also capacity?)
- TA amount remains tradable
- New market entrants slowly ramp up if needed
 - Start by showing DA/RT amount of \$1m and/or FTR of \$2m
 - Show additional funds for capacity market prior to start of Delivery Year

Questions?

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