

Informational Update: FTR Auction Bid Limits

Brian Chmielewski
Manager, Market Simulation
Market Implementation Committee
December 11, 2019

Currently, PJM enforces a soft cap of 10000 bids per auction period, per account

Existing OA language allows PJM to cut bids to 5000 for all accounts if performance issues occur...OA Schedule 1, Section 7.3.5:

(d) Bids and offers shall be specified to the nearest tenth of a megawatt and shall be greater than zero. The Office of the Interconnection may require that a market participant shall not submit in excess of 5000 bids and offers for any single monthly auction, or for any single round of the annual auction, when the Office of the Interconnection determines that such limit is required to avoid or mitigate significant system performance problems related to bid/offer volume. Notice of the need to impose such limit shall be provided prior to the start of the bidding period if possible. Where such notice is provided after the start of the bidding period, market participants shall be required within one day to reduce their bids and offers for such auction below 5000, and the bidding period in such cases shall be extended by one day.

- PJM staff has been made aware of confusion from stakeholders whether this soft cap applies to the account level or corporate-family level
 - Currently, soft cap of 10000 bids per period can only be enforced at the account level
- Subaccounts under a corporate-family level should not be created for sole purpose of circumventing bid limit rules
 - This activity creates equity concerns amongst market participants
- Informational update provided today to ensure market participants are clear on rules and enforcement moving forward
- All market participants asked to please respect bid limits of 10000 per period at corporate-family level