# RPM Capacity Transfer Rights: Education

MIC

April 7, 2021

**IMM** 



# **CTRs: FTRs for Capacity**

- CTRs are analogous to FTRs in the energy market.
- CTRs return capacity market congestion revenues to the load that paid the excess revenues.
- Capacity market congestion revenues are the difference between the total dollars paid by load for capacity and the total dollars received by capacity market sellers.
- The difference exists because load pays for all capacity at the single LDA clearing price despite the fact that the capacity imported into the LDA receives a lower price.

### **CTRs and FRRs**

 Credits for CTRs do not exist with an FRR because the CTR credits are based on the operation of an integrated capacity market with locational pricing.



#### **CTRs: MW and Prices**

- The MW of CTRs available for allocation to LSEs in a zone are equal to:
  - the unforced capacity imported into the LDA(s) in which the zone resides, determined based on the results of the **Base Residual Auction and Incremental Auctions,**
  - less any MW of CETL paid for directly by market participants which include Qualifying Transmission Upgrades (QTUs) cleared in an RPM Auction and Incremental Capacity Transfer Rights (ICTRs).
- The price of the CTR credits is based on the locational adder for the LDA(s) in which the zone resides.

©2021

#### **CTRs** are Based on the Network

- CTR credits are based on the operation of an integrated capacity market with locational pricing.
- CTR credits are not the result of bilateral contracts.
- Bilateral contracts do not give participants the rights to more than an allocated share of CTR credits.

## **CTR Data for ComEd LDA**

ComEd LDA	BRA	Scenario 1	Change	Percent
Base Zonal UCAP Obligation (MW)	24,983.0	23,384.9	(1,598.1)	(6.4%)
Zonal Capacity Price (\$/MW-day)	\$196.08	\$254.40	\$58.32	29.7%
Gross Load Charges	\$1,788,042,829	\$2,171,428,274	\$383,385,446	21.4%
Value of CTRs	\$30,978,820	\$0	(\$30,978,820)	(100.0%)
Net Load Charges	\$1,757,064,009	\$2,171,428,274	\$414,364,265	23.6%

 Source: Potential Impacts of the Creation of a ComEd FRR, December 18, 2019. IMM. Monitoring Analytics, LLC
2621 Van Buren Avenue
Suite 160
Eagleville, PA
19403
(610) 271-8050

MA@monitoringanalytics.com www.MonitoringAnalytics.com