

# FTRSTF Education

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June 25, 2014

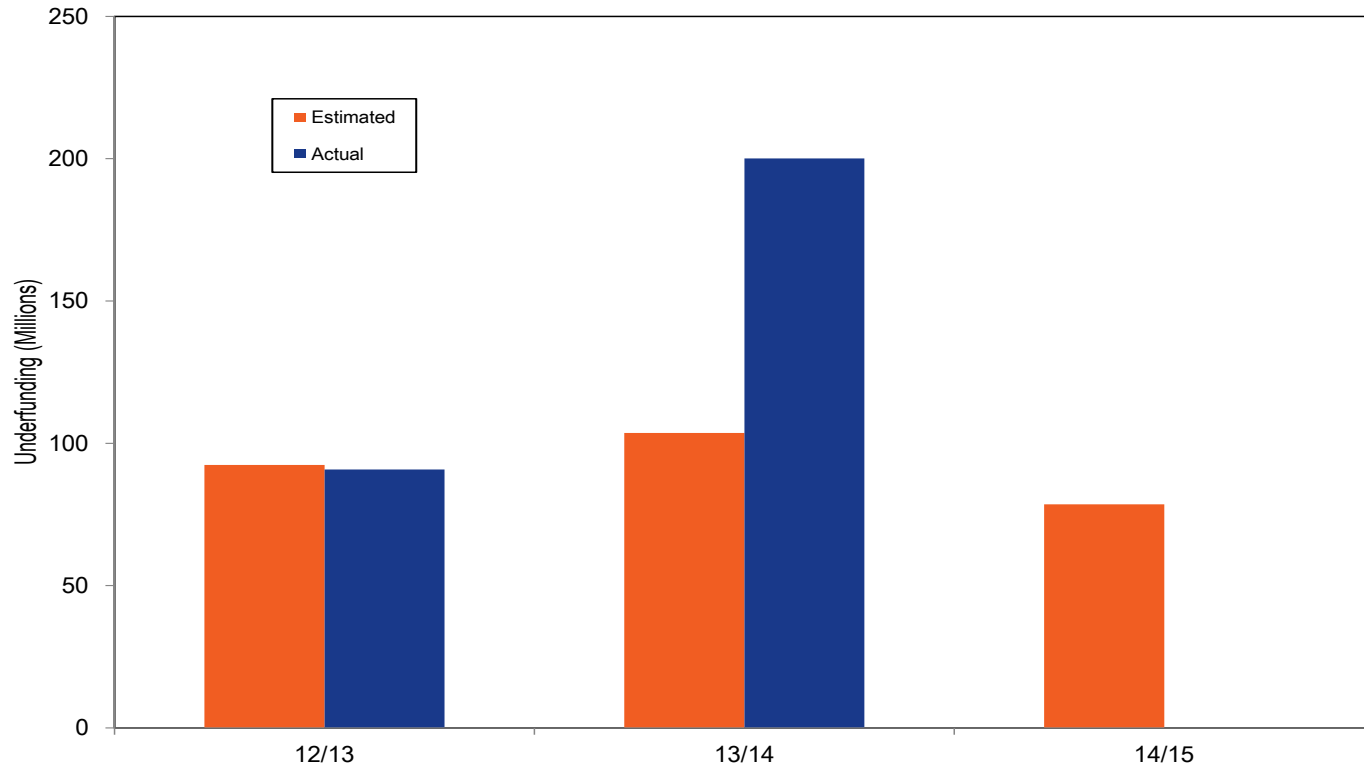
Seth Hayik

Howard Haas

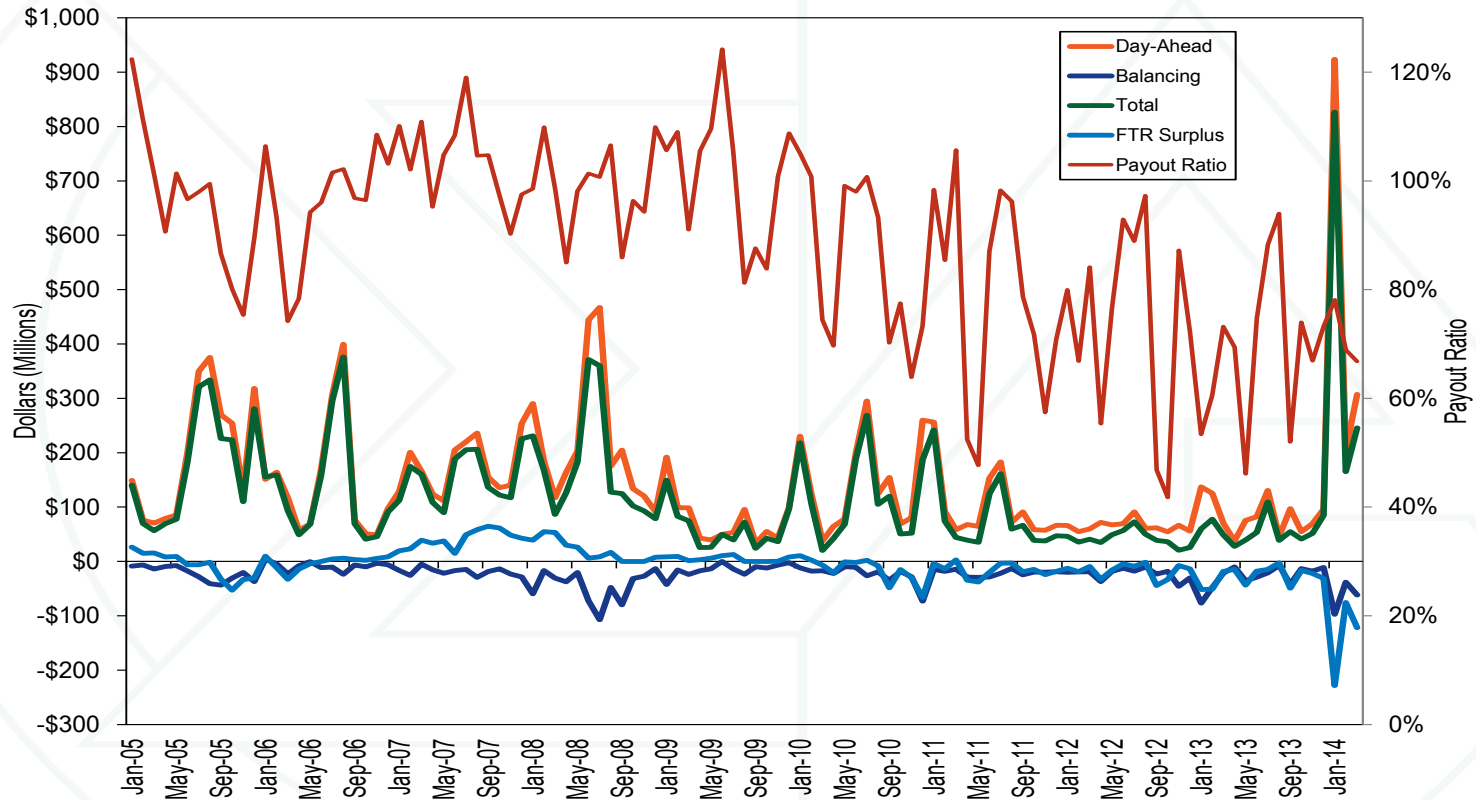


Monitoring Analytics

# Underfunding due to Stage 1A ARR Over Allocations



# FTR Funding: 2005 through March 2014



## UTC Analysis: Impact on unit commitment

- **PJM and the IMM agree that the data from the May and December studies indicated that UTCs affect unit commitment and dispatch in the day ahead market.**
- **PJM and the IMM agree that the data from the December study indicated that INCs and DECAs affect unit commitment and dispatch in the day ahead market.**
- **PJM and the IMM agree that the magnitude of the impact on unit commitment status and unit output varies by day.**

## May UTC Analysis: Impact on congestion

- **Study results show that UTCs significantly increased day ahead congestion.**
  - **UTCs increased the number of constraints that bind in the day ahead market.**
  - **UTCs affected the hours that the constraints bind.**
  - **UTCs affected the shadow prices of the constraints in the day ahead market.**

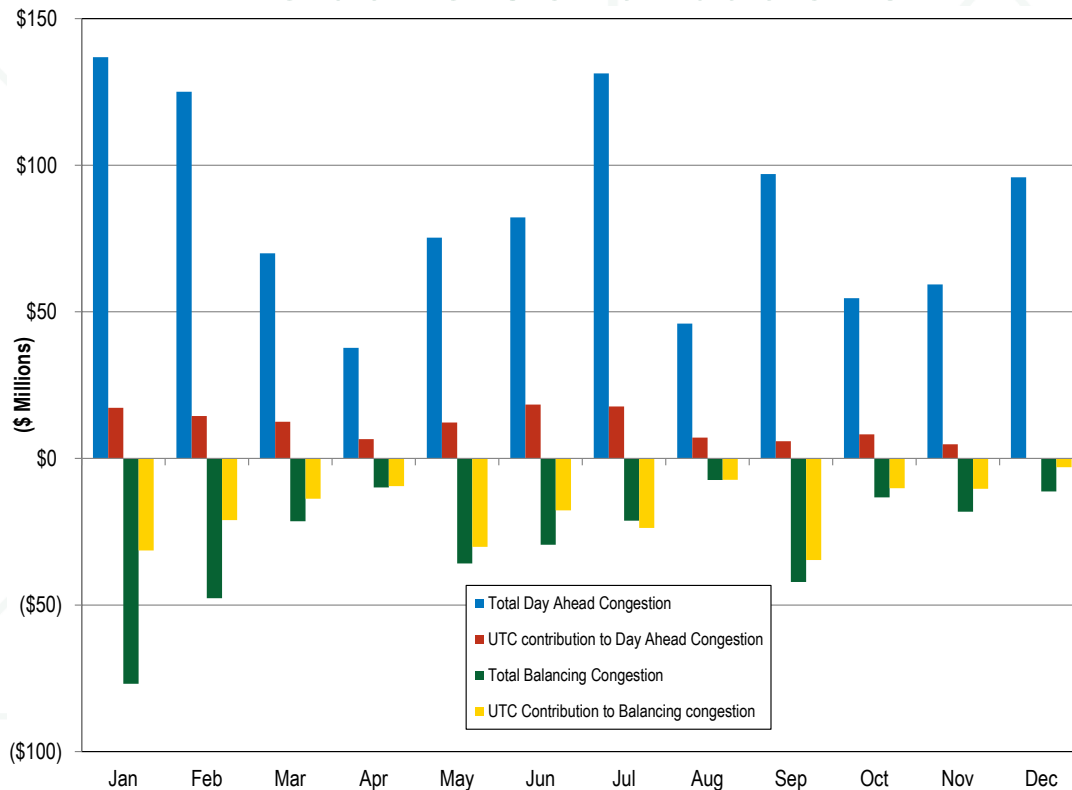
## May UTC Analysis: Impact on congestion

- **Study results show that UTCs increase negative balancing congestion.**
  - **Removing UTCs reduced the number of day ahead constraints and day ahead congestion.**
  - **Removing UTCs made day ahead results more consistent with real time constraints and real time congestion.**
  - **Removing UTCs reduced negative balancing congestion.**

# UTC analysis: Contributions to congestion in 2013

- **Analysis shows that UTCs pay day ahead congestion, in net.**
- **Analysis shows that UTCs are paid balancing congestion, in net.**
- **Analysis shows that UTCs contribute significantly to negative balancing congestion, in net.**

# 2013 Day Ahead and Balancing Congestion: UTC Relative Contributions





## May UTC Analysis: FTR Funding

- **Study results show that UTCs contributed significantly to FTR underfunding relative to target allocations.**
- **For the five days studied, the removal of UTCs changed FTR funding relative to target allocations from a deficit of -\$4.1 million to a net surplus of \$537 thousand, a gain in funding relative to target allocations of \$4.7 million.**
- **For the five days studied, removing UTCs reduced target allocations from \$16,241,505 to \$7,780,223. The reduction was \$8,461,282, or 52 percent.**

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