

Residual ARR Process Enhancement

Includes Problem/Opportunity Statement

Problem Statement

As attached

Issue Source

Exelon, Direct Energy

Stakeholder Group Assignment

Since this issue impacts the FTR and ARR markets, it should be discussed at the Market Implementation Committee

Key Work Activities

- 1) Review background on Residual ARRs including historical levels of activity with detail on positive and negative allocations, the current allocation process and modeling
- 2) Discuss potential process improvements for Residual ARRs

Expected Deliverables

- 1) If needed and as appropriate, revisions to Manual M-06, Financial Transmission Rights
- 2) If needed and as appropriate, revisions to PJM Tariff and Operating Agreement

Expected Overall Duration of Work

The work on this issue is expected to be completed within 6 to 9 months.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal