

FTR Credit Enhancements

Includes Problem/Opportunity Statement

Issue Source

DC Energy

This would be an enhancement to FERC Order 741.

Stakeholder Group Assignment

Initial discussion for potential FTR credit enhancements should be at the Credit Subcommittee with subsequent discussion and votes at the Market Implementation Committee up through the Members Committee

Key Work Activities

Investigate and potentially recommend enhancements surrounding: (a) minimum collateral requirements for FTR portfolios; (b) enhancements to current minimum capitalization or other requirements established by FERC Order 741; (c) recommend whether the current undiversified counterflow FTR credit requirements is still necessary; and develop and recommend potential other credit tool enhancements for PJM (e.g., 'mark-to-market').

Expected Deliverables

Specific analyses supporting potential recommendation as well as PJM manual, Operating Agreement and Open Access Transmission Tariff recommended changes will be required leading up to a potential PJM FERC filing.

Decision-Making Method

Tier 1, consensus (unanimity) on potentially multiple enhancements

Expected Duration of Work Timeline

6-9 months, complete by end of Q3 '18 and this is an extension of ongoing work at the CS. CS meetings to finalize this work should be every 3-4 weeks.

More detail available in M34; Section 6.3: Determining to pursue a new Issue & Section 6.4: Charging a new issue