



ARR Ownership Reassignments

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What are ARR

- Auction Revenue Rights ...

are entitlements allocated annually to Firm Transmission Service Customers that entitle the holder to receive an allocation of the revenues from the Annual FTR Auction

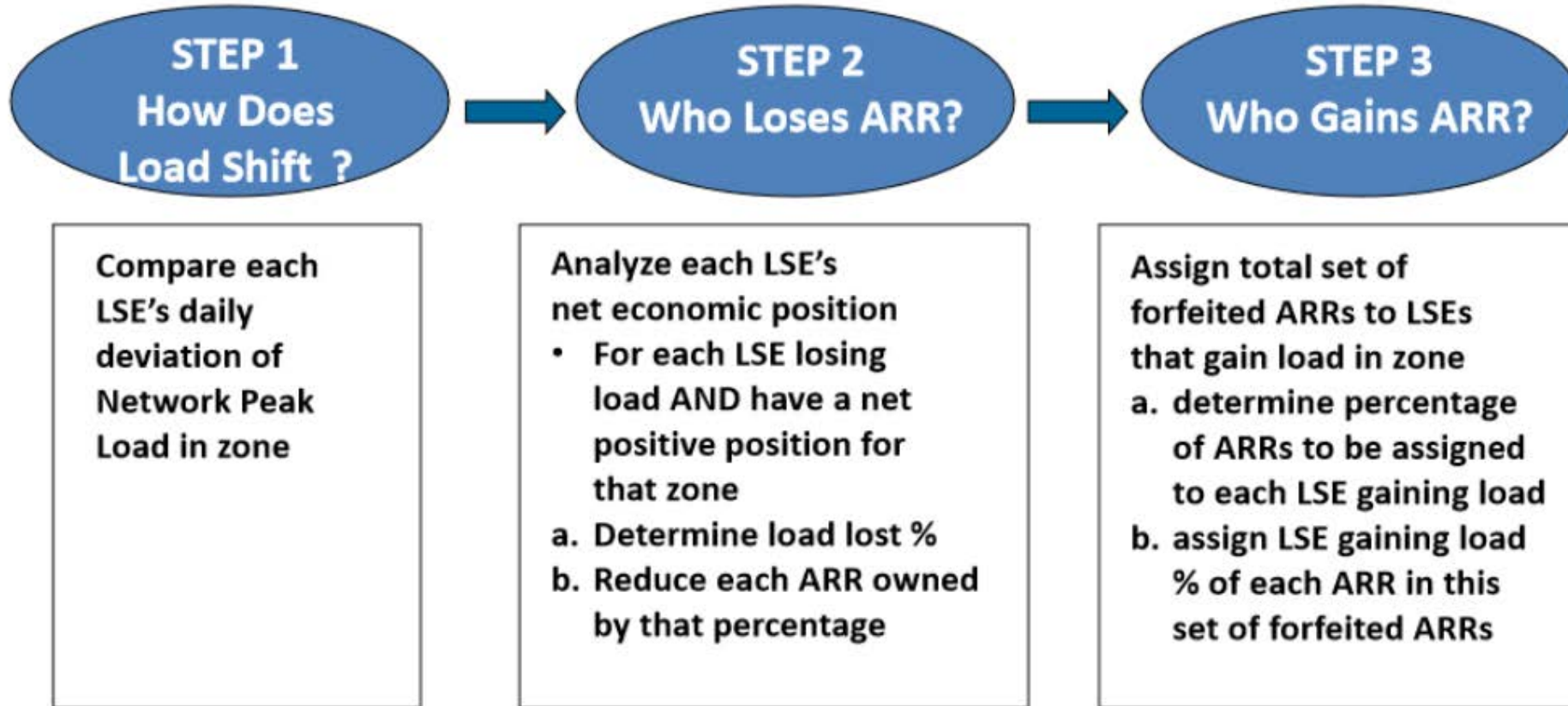


- Network and Firm Transmission Service customers have an obligation to serve load, regardless of the cost.
- The purpose of ARR is to provide a hedge to Network and Firm Transmission Service customers against their transmission congestion risk.
- The responsibility for serving the network load can shift from one LSE to another on a daily basis.

Daily ARR Reassignment

ARRs allocated for the planning period will be reassigned daily on a proportional basis within a zone as load switches between LSEs within the planning period

Daily ARR Reassignment Process



- Automated Program Limitations
 - Day-to-day data dependency
 - Example Issue: After-the-fact NSPL changes
 - NSPL data is represented at (sub)account level granularity
 - Example Issue: A Network customer who chooses to model their network load in a different sub account
 - Assumption of proportional redistribution within zone
 - Example Issue: Municipality serving nodal load who changes suppliers

- PJM has developed a manual ARR Directed Transfer process that can be used in some cases to more precisely redistribute ARR ownership shares upon request
 - PJM Settlements needs the explicit information prior to the running of the automated process for the operating day
 - Request ARR Directed Transfers via Client Manager (Cc Market Settlements Operations: mrkt_settlement_ops@pjm.com)



To Request a Directed Transfer, PJM Settlements will need the following:

Transfer Date:

Zone:

“From” Account: (shortname or OrgID – both is best):

“To” Account (shortname or OrgID – both is best):

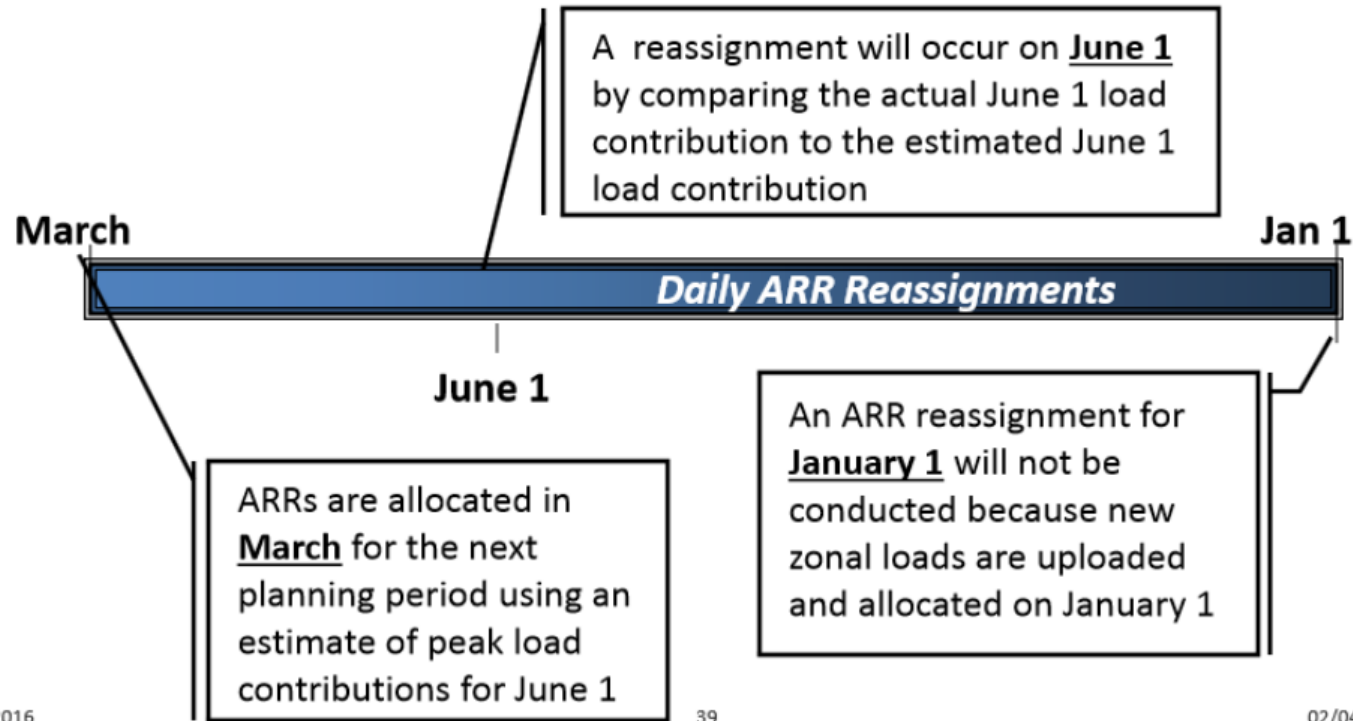
Amount of NSPL being transferred between these accounts on the transfer date (to nearest 0.1 MW):

PJM will need the above set of data for each “from/to” pair in each zone where a directed transfer is being requested. Note that the amount of NSPL being transferred cannot exceed the amount of NSPL in the “From” Account on day before the transfer. Data should be provided no later than COB on the business day following the effective date of the transfer.

June 1st

What's different and why this day requires special handling

Daily ARR Reassignment



What PJM Settlements needs from members for the upcoming June 1st processing day:

- Known Modeling Changes that affect ARR
- List of Directed Transfer Requests (dating back to 2/29/16)
- Continued cooperation and quick responsiveness if we reach out to your organization with additional questions in the days immediately following June 1st

This information ensures that PJM can accurately maintain and process the previously selected ARRs for an organization.

Questions?