

**ARR FTR MARKET TASK FORCE, 8/30/2021**

Unattributed Comments from Survey

1. Please select your preference for the allocation methodology of surplus FTR auction and Day-ahead congestion revenues:

The surplus goes to FTR deficiencies first, and any residual should be allocated to ALL ARR/FTR market participants based on the financial position they hold, not just allocated to ARR holders. The reason for the surplus is due to PJM underselling capacity in the Auctions, which drives up the cost of the auctions. Therefore, the surplus/gains should be allocated to all the auction participants.

100% back to load allocated by LMPs and our second preference is bullet 3

2. Please select your preference for FTR product class types:

Currently, no preference as long as the 24H product is still available.

Prefer option 2 of choices listed, but prefer option 2 plus off peak product

FTRs are not necessary if 100% goes back to load based on LMPs; if we have FTRs bullet 2 would be our preference.

24H, On-peak, Weekday peak hours (HE 8-23), Weekend/holiday Peak hours (HE 8-23), Everyday off-peak hours (HE 1-7, HE 24), Monthly or annual product AND traditional off peak (M-F 2300-0700, Weekend all day)

24H, onpeak, offpeak (as currently defined), 7x8 (nights 7 days/wk: he1-7,24), 2x16 (weekend/holiday he8-23). Monthly or Annual

For tenor we would want annual strips in the Long Term auctions, quarters in the annual, months in the BOPPs (this would add quarters without overlapping periods in any auction)

### 3. Open ended comments

Updating topology of Stage 1A ARR allocation to provide more ARRs on existing paths would be a more beneficial modification.

PJM must fix the FTR deficiencies first.

For Question 1, we selected Status Quo; however, we continue to believe this is inequitable in that FTR holders are exposed to all of the downside risk but get none of the upside benefit.

We would like PJM offer the “weekday peak 5 x 16”, “weekend/holiday peak 2x16” and “everyday off-peak 7x8” for all the FTR auctions.

Would also like to see a more granular Annual FTR Auction product (cut into Quarterly or individual Monthly periods)

PJM should examine different allocation methodologies for surplus revenues allocated between ARR holders.

Annual separated into separate rounds with one set having annual strips and the other quarterly periods. This would avoid the overlapping periods issue.

Transparency requests (network model posted for each auction/period/class), line limits of all auction monitored constraints, dfax values of all binding auction constraints.

The 4 step proposal offered by PJM at the August 18 task force may represent a reasonable compromise regarding the allocation of surplus revenue that balances interests and addresses the equity concerns raised in the LEI report (“Explore alternative allocation approaches for distributing surplus congestion.”). This approach should be considered in order to develop a proposal that can garner consensus stakeholder support from all sectors and meet FERC’s “just and reasonable” requirement.

Status quo options do not address the concerns raised in the LEI report and do not represent a balance of interests in addressing surplus revenue allocation. These proposals will be unlikely to gain broad stakeholder support and will be vulnerable to challenge at FERC.