



Cross RTO/ISO Outreach

FTR Group
AFMTF Technical Workshop
October 20, 2021

- PJM researched MISO, ERCOT, and ISO-NE to better understand tools and features of FTR clearing
 - MISO, ERCOT utilize Nexant iHedge; ISO-NE, PJM utilize GE software
- Based on PJM outreach, no RTO/ISO co-optimizes FTR product types (e.g. month, year)
 - PJM removed this “overlap” feature in 2018 due to poor performance
- Further, with the exception of ERCOT monthly auctions, PJM is the only RTO/ISO that simultaneously clears 24H, On peak and Off peak class types (or “Time-of-use” products) in every auction
- PJM recommends a survey to determine interest in replacing or supplementing the annual and/or 24H ARR/FTR product with more granular products that do not require overlapping during clearing

| Metric | PJM | ISO-NE | MISO | ERCOT |
|---------------------------|----------------------------------|-------------------|---------------------------------|--|
| Auction Structure | Annual, Long-term, Monthly | Annual, Monthly | Annual (seasonal only), Monthly | Long-term, Monthly |
| Class Types | On-peak, Off-peak, 24H (overlap) | On-peak, Off-peak | On-peak, Off-peak | Weekend On-peak, Weekday On-peak, Off-peak (24H overlap monthly) |
| Hedge Types | Obligations and Options | Obligations only | Obligations only | Obligations and Options |
| Bid Limits | 10,000 per period, auction round | N/A | 6,000 with 10-points curve | 4,000 Long-Term / 10,000 Monthly |
| Approx. Path availability | 3.5M annual, 48M prompt month | 1.4M | 5.2M | 400K |
| Software Vendor | GE | GE | Nexant | Nexant |

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