

Changes to the ARR/FTR Review Final Report

prepared for PJM Interconnection by London Economics International LLC

January 22, 2021



London Economics International LLC (“LEI”) made several minor edits to the ARR/FTR Review Final Report to clarify certain statements and vocabulary choices, and for inadvertent typographical or grammatical errors. These changes are enumerated in the table below. These modifications do not change LEI’s findings or recommendations.

Figure 1. List of changes made to the ARR/FTR Review Final Report

Section, figure, and page number	Change made
Section 1.2, page 6	Added text in the last paragraph of Section 1.2 to clarify LEI’s use of the term “leakage.”
Section 1.3.3, page 14	Added the phrase “using scenario analysis” on the first paragraph to be clear on the type of analysis conducted to derive the results of Figure 7.
Section 1.3.4.1, pages 14-15	Replaced the term “profitability” with “economic losses and profits” in the second paragraph. Added a footnote (Footnote #14) referring to Appendix E.
Section 1.3.5, Figure 9, page 18	Replaced Figure 9 to include EKPC in the graphic.
Section 6.3.2, Figure 24, page 62	Replaced Figure 24 to include EKPC in the graphic.
Section 6.3.2, Figure 25, page 63	Added a note explaining why EKPC was not included in this graphic and updated the source.
Section 6.6, page 71	Added clarifying text in the middle the first paragraph after Figure 29 regarding LEI’s methodology.
Section 6.7, page 75	Added clarifying text describing the “what if” analysis discussed in the second paragraph after Figure 32.
Section 6.10, page 81	Edited the sub-section title and added clarifying text to explain Figure 38.

Section, figure, and page number	Change made
Section 6.10, Figure 38, page 82	Replaced the graphics on Figure 38.
Section 6.10, pages 82-83	Edited the text to improve the description of findings emerging from Figure 38.
Section 6.11, page 84	Added a new footnote (Footnote #121) to clarify that the discussion of the \$0 priced FTR options is before consideration of any trading fees and credit requirements.
Section 6.13.2.3, page 88	Adjusted first sentence after Section 6.13.2.3.
Section 6.13.2.3, page 90	Adjusted title of Figure 42.
Section 8.3.3, page 110	Added text to clarify LEI's recommendations regarding access to alternative paths in the ARR process.
Section 13.3, Figure 89, page 177	Added a note explaining why EKPC was not included in the graphic and updated the source.
Section 13.3, Figure 90, page 178	Added a note explaining why EKPC was not included in the graphic and updated the source.
Section 13.7, pages 183-186	Updated the section to include additional discussion around the profitability and risk of non-load and load entities in purchasing FTRs on gen-to-gen and non-gen-to-gen paths.