



2023/2024 ARR/FTR Update

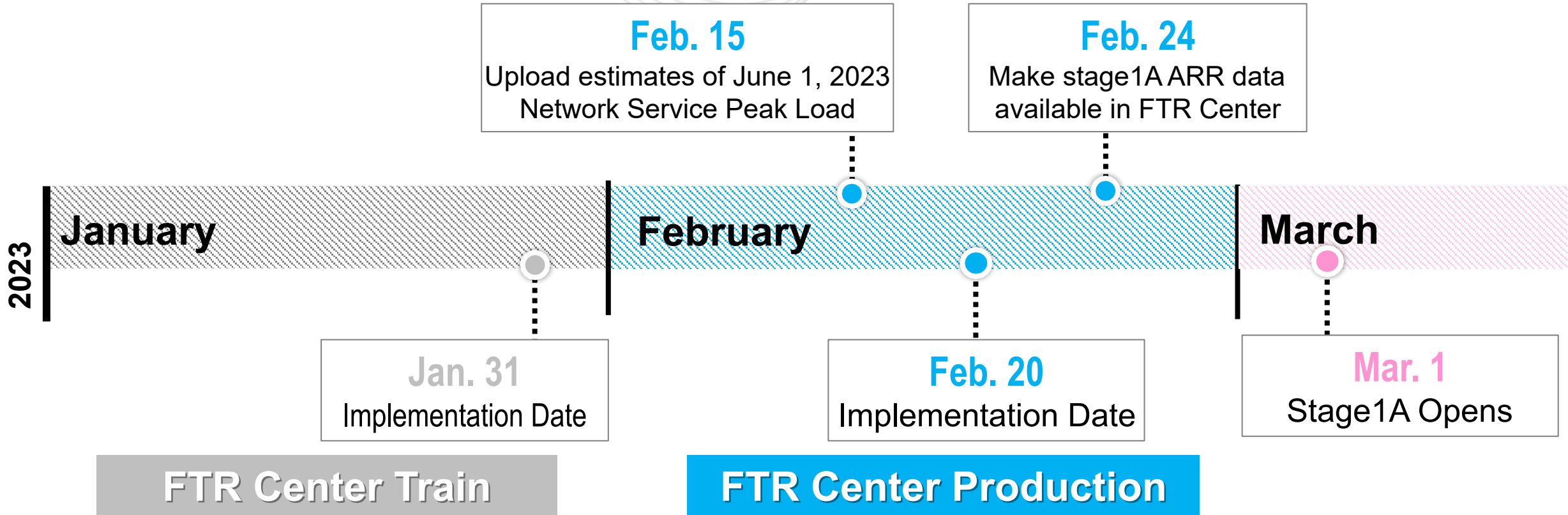
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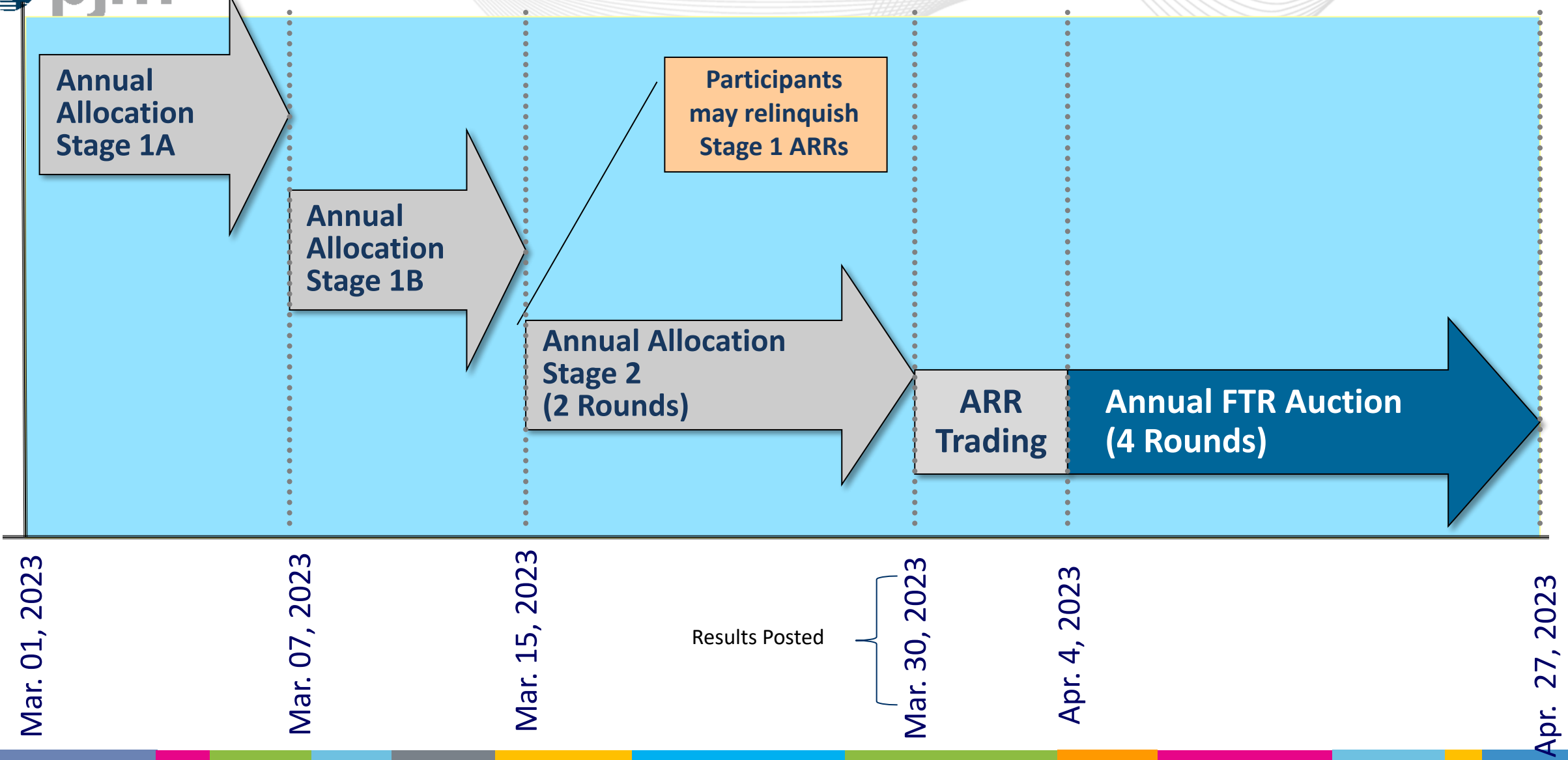
- 2023/2024 ARR allocation and FTR Auction
 - Implementation of ARR and Self-Scheduled FTR changes
 - Timeline of Annual Allocation and Auction
 - Updates of annual preparations
 - Credit Information

- 2023/2024 Regional Transmission Expansion Process (RTEP)
Incremental Auction Revenue Rights (IARR) Update

- ARR Changes
 - Stage1A MWs up to 60% of Network Service Peak Load
 - Additional source pnodes for Stage1B: any zone, hub and interface
 - Additional sink pnodes for stage2: any generator, zone, hub, and interface
 - Stage2 will change to two rounds
- SelfScheduled FTR
 - Pre-change, only 24h class type
 - All class types (24h, OnPeak, DailyOffPeak, WkndOnPeak) are available
 - Request in the annual FTR auction round 1



Annual ARR/FTR Market Timeline



- Completed
 - Network Service Peak Load (NSPL)
 - ARR Stage1 Resources
- Next steps
 - Transmission outages
 - Key system upgrades modeled
 - M2M Flowgates
 - Contingencies modeled
 - Point-to-Point ARR nomination form

- Obligation FTRs use Initial Margin (IM)
 - Implemented on August 2022
 - First time HSIM used in the annual auction

- Option FTRs use Path-Specific Requirement (pre-HSIM method)
 - Historical Values calculated as the monthly weighted average Day-Ahead congestion prices of the past three calendar years (50%-30%-20%)
 - Adjusted Historical Values: the transmission upgrades to-be modeled for simulated credit reference pricing

- Overview
 - PJM Operating Agreement requires annual RTEP IARR analysis
 - The analysis may trigger IARRs for following RTEP:
 - Backbone Upgrades
 - Non-Backbone Upgrades: cost responsibility is assigned to 1) non-contiguous zones or 2) Merchant Transmission Providers
 - The analysis must be completed before Annual ARR process
- Analysis Results
 - No RTEP IARRs could be awarded for 2023/24 planning period
- See Appendix for Analysis Details

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2023/2024 ARR/FTR Update



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Appendix



RTEP IARR Analysis for 2023/24 Planning Period

| Project | Type | Upgrade Description | In-Service Date | Pre-Upgrade ARR Capability | Pre-Upgrade Limit | Post-Upgrade ARR Capability | Post-Upgrade Limit | IARR MW | Source | Sink |
|---------|----------|---|-----------------|----------------------------|--|-----------------------------|--|---------|--|------|
| b2986 | Merchant | Branchburg-Pleasant Valley 230kV corridor rebuild (East Flemington - Pleasant Valley) | 5/31/2023 | 0 | CONASTON500 KV CNS-PEA I/o L500.PeachBottom-TMI.5007 | 0 | CONASTON500 KV CNS-PEA I/o L500.PeachBottom-TMI.5007 | 0 | EFLEMING, FALLS, FARHILLS, CLARKSVI, KUSERRD, LAWRESUB, MERCER, LAWRESUB | RECO |
| b2759 | Backbone | Rebuild Line #550 Mt. Storm – Valley 500kV | 12/31/2023 | 0 | ASHBURN 230 KV 227A I/o L230 Beaumead-Ashburn-PleasantView.274 | 0 | ASHBURN 230 KV 227A I/o L230 Beaumead-Ashburn-PleasantView.274 | 0 | FTMARTIN, GREENGAP, HARR APS, NLONGVW, BISMARCK, MTSTROM | DOM |
| b3019 | Backbone | Rebuild 500kV Line #552 Bristers to Chancellor – 21.6 miles long | 11/30/2022 | 0 | ASHBURN 230 KV 227A I/o L230 Beaumead-Ashburn-PleasantView.274 | 0 | ASHBURN 230 KV 227A I/o L230 Beaumead-Ashburn-PleasantView.274 | 0 | MARSHRUN, MOSBY, REMNTNCT, WARRENTN, | DOM |
| b3021 | Backbone | Rebuild 500kV Line #581 Ladysmith to Chancellor - 15.2 miles long | 12/30/2023 | 0 | ASHBURN 230 KV 227A I/o L230 Beaumead-Ashburn-PleasantView.274 | 0 | ASHBURN 230 KV 227A I/o L230 Beaumead-Ashburn-PleasantView.274 | 0 | MARSHRUN, MOSBY, REMNTNCT, WARRENTN, | DOM |

- More details about ARR and SelfScheduled FTR changes are available at [January Tech Change Forum](#)
- [Annual ARR/FTR Training](#)
- [2023/2024 ARR post materials](#)
- [External Interface Specification Guide](#)

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