

ARR/FTR Market Task Force DC OPC Proposal First Read

Markets & Reliability Committee

September 29, 2021

DC OPC Goals

- LEI Report: *Explore alternative allocation approaches for distributing surplus congestion.*
- Develop a proposal that balances the equity concerns discussed in the LEI Report.
- Develop a proposal that can receive support from all sectors, allow PJM to file under Section 205, and meet FERC's "just and reasonable standard."
- Committed to working with all parties to address equity issues regarding auction and congestion surplus.

DC OPC Proposal

- Identical to PJM / Joint Stakeholders' proposal *except* for design components 7 (Auction Surplus) and 8 (Congestion Surplus)
- Component 7: 100% to ARR holders pro-rata positive ARR target credits end of PP
- Component 8: 100% to ARR holders pro-rata positive ARR target credits after FTRs are fully funded end of PP
- DC OPC's design components 7 and 8 are *identical* to PJM's July 30 proposal



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