

Comprehensive Review of ARR/FTR Market Design

Issue Source

The *Report of the Independent Consultants on the GreenHat Default* included a recommendation to “conduct a general review of the FTR market...to evaluate the risks and rewards of potential structural reforms.” (Recommendation F3). This alternative issue charge is being sponsored by Dominion Energy, Exelon, NextEra Power Marketing, PSEG Energy Resources & Trade, Dynegy Marketing & Trade, Vitol, and the Financial Marketers Coalition.

Issue Content

A comprehensive review of ARR/FTR market design that may address specific technical issues and/or broader policy issues. This issue charge is not intended to exclude any matter that any stakeholder determines is germane to the comprehensive review of the ARR/FTR market design contemplated herein.

Key Work Activities and Scope

1. Review history and evolution of PJM ARR/FTR market design
2. Review congestion rights market designs of other regions
3. Review the current PJM ARR/FTR market design including but not limited to its FERC-approved objectives
4. Discuss the value proposition of the PJM ARR/FTR market for market participants and for the overall marketplace
5. Discuss opportunities for market design enhancements that accommodate the business needs of the broader FTR/ARR marketplace

Expected Deliverables

1. Potential improvements to ARR/FTR market design
2. Potential manual and governing document changes

Decision-Making Method

Tier 2, multiple alternatives

Stakeholder Group Assignment

New Task Force reporting to the MIC.

Expected Duration of Work Timeline

It is estimated that this work effort would take 12 months. It should start in early 2020 after the majority of the FRMSTF work is completed. Meetings are proposed to occur monthly.

Start Date	Priority Level	Timing	Meeting Frequency
1/1/2020	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

<input checked="" type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).