



FTR Modeling Enhancements for Future Transmission Expansions

Problem / Opportunity Statement

During the 2017/20 Long-term FTR Auction conducted in 2016, PJM observed FTR Auction clearing prices for future years that were aligned with historic congestion patterns even though Regional Transmission Expansion Plan (RTEP) upgrades have been planned, are under construction, or already energized, that are expected to reduce future congestion on these historic congestion patterns. This raises a concern for PJM because prices are, in-part, a reflection of transmission system capability which is defined by the network model on which the FTR Auction is cleared. Under today's construct, in its Long-term FTR Auction, PJM uses a network model that does not include future transmission system expansions. Therefore, PJM is concerned that its auction clearing prices for Long-term FTR Auctions may not fully reflect of the true future system capability.

While the Long-term FTR Auction has uncovered this area for improvement in modeling construct, it may apply to other FTR Auctions as well such as the Balance of Planning Period Auction.