FTR Forfeitures

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- **Convergence Test** – DA cLmp > RT cLMP for FTR path
  - Determines Hour where DA congestion is greater than RT along a path
- **Virtual Test** – Net virtual activity across all affiliates must be greater than or equal to 10% of DA constraint limit
  - Determines Constraints virtual flow is significantly impacting
- **FTR Impact Test** – (dfax*Shadow Price)FTR Sink – (dfax*Shadow Price)FTR Source >= $0.01
  - Determines FTR paths (direction accounted for counter flow)
- **FTR Forfeiture** – DA Value – FTR Cost

- KWA #2 – Perform and review sensitivity analysis on the FTR Impact Test levels and others as required

- Sensitivity scenario performed by PJM to <u>adjust</u> Virtual Net Flow trigger from greater of 0.1MW or 10% of DA binding limit <u>to</u> greater of 10MW or 10% of DA binding limit for September 2017

- <u>Concept</u>: determine impact this specific trigger is having on forfeiture totals

- Forfeiture dollars reduced by roughly half for the month of September 2017
- 67 FTR participants billed forfeitures under status quo
- 55 FTR participants billed forfeitures under sensitivity
  - 12 participants completely erased

Test:	Total:	Virtual Test:	FTR Impact Test:	Impacted FTR Accounts
ACTUAL	$2,001,261.29	Greater of .1 MW or 10% of the line limit	Greater or equal to $.01	67
SENSITIVITY	$963,330.85	Greater of 10 MW or 10% of the line limit	Greater or equal to $.01	55

- Continue work on KWA #2 to understand impacts

- Shift analysis to look at market-to-market flowgates and DA FFE values

- Present results at June MIC