

Coordinated Transaction Schedules

Balancing Congestion and FTR Funding

2013 Stakeholder Meetings

- Will CTS transactions negatively impact balancing congestion?

And if so.....

- Will CTS transactions contribute to FTR underfunding?

- Balancing congestion exists when system conditions are different in the real-time market compared to the day-ahead market
- Balancing congestion is determined using the following calculation:

$$[(\text{Real time load} - \text{Day ahead load}) * (\text{Real time LMP})] - [(\text{Real time generation} - \text{Day ahead generation}) * (\text{Real time LMP})]$$

Will CTS Transactions Impact Balancing Congestion?

- PJM has not identified a link between CTS transactions and the potential for impacts to balancing congestion
 - Balancing congestion arises because of a change or difference in transmission system capability between the Day Ahead and Real Time Markets
 - Negative Balancing Congestion occurs when the real time transmission system cannot accommodate as much flow as was scheduled day ahead
 - Positive Balancing Congestion occurs when the real time transmission system capability increases above what was available in day ahead
 - The dispatch of CTS transactions (or the scheduling of any other external interchange transaction) will not impact the capability of the transmission system

- FTR funding comes from the following sources
 - Day Ahead congestion
 - Congestion from Day Ahead market
 - Balancing congestion
 - Difference in congestion between Day Ahead and Real Time markets plus M2M Payments
 - FTR auction Revenue
 - Money collected from FTR auctions for purchased FTRs minus sold FTRs

- CTS Effects on sources of FTR Funding
 - Day-ahead congestion
 - No effect since CTS transactions are a real time product
 - Balancing congestion
 - No effect since balancing congestion is caused due to a change in the system capability between the Day Ahead and Real Time markets and CTS transactions have no impact on the capability of the transmission system
 - FTR auction Revenue
 - No effect