



Bilateral Transactions Reforms

Proposed FTR Bilateral Reporting Price Field Enhancement

April 26, 2022

James Waweru
Sr. Manager, Trade Risk Analytics
Risk Management Committee

Objective:

- ✓ Reform Price field to provide PJM with meaningful information about the bilateral transaction
- ✓ Provide straightforward approach to make it easier for Bilateral Transaction parties to report accurate details as negotiated

Importance and use of meaningful price data:

- Enhances understanding of price risk perspective outside of PJM auctions
 - Provides additional data which may be helpful in alerting PJM of pockets of relative higher risk
 - Promotes transparency and accurate assessment of risk exposure transfer between parties
- ✓ **When only a bundled value for a basket of FTRs has been agreed upon, only the bundled value should be reported**

****The following examples discuss Price field ONLY and no other solution component**

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.



Proposed Reporting Tool Enhancement: Price

Status Quo: FTR Bilateral reporting screen Price field is not used to provide meaningful data

Start Day End Day

4/1/2017>>4/4/2022 Row Count: 0

Note: The 'Price' field is for record keeping purposes only and cannot be blank. It does not represent the auction clearing price.

ID	Source	Sink	Start	End	Market	Class	Hedge	Trade	MW	Price

Objective: Make the price field meaningful and consistent with bilateral agreement

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.



Proposed: Accepted Tab View

Option 1: Accepted screen; enter/upload negotiated path price; this will flow to confirmation

New

Path Price/MW/Period

Aggregate Bundle value

Accepted Path Price/MW/Period

Accepted

Action	ID	Posted By	Accepted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW	Price	MW*Price
Buy		BOND007	DrNo	BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 600.00	OffPeak	Obligation	Buy	5	\$ 575.00	\$ 2,875.00
Buy		BOND007	DrNo	BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 650.00	OffPeak	Obligation	Buy	5	\$ 575.00	\$ 2,875.00
Buy		BOND007	DrNo	CRANESCR35 KV	NRTHNECK13 KV	3/1/2022	3/31/2022	\$ 55.00	OnPeak	Obligation	Buy	2	\$ 50.00	\$ 100.00
Buy		BOND007	DrNo	BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 1,000.00	OnPeak	Obligation	Buy	8	\$ 950.00	\$ 7,600.00

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.

Aggregate Total \$ 13,450.00



Proposed: Accepted Tab View

Option 2: Accepted screen; enter/upload negotiated aggregate total; this will flow to confirmation

New

Path Price/MW/Period

Bundled Aggregate value

Accepted

Action	ID	Posted By	Accepted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW
Buy		BOND007	DrNo	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	\$ 600.00	OffPeak	Obligation	Buy	5
Buy		BOND007	DrNo	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	\$ 650.00	OffPeak	Obligation	Buy	5
Buy		BOND007	DrNo	CRANESCR35 KV STAFFOLF	NRTHNECK13 KV GT1	3/1/2022	3/31/2022	\$ 55.00	OnPeak	Obligation	Buy	2
Buy		BOND007	DrNo	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	\$ 1,000.00	OnPeak	Obligation	Buy	8

Accepted Bundled Aggregate Total

Aggregate Total \$ 13,450.00

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.

Provide means to report accurate information based on bilateral agreement

This will require entering either:

- Price/path/mw/period *or*
- Bundled value for a basket of FTRs

Prices entered to be consistent with prices listed in bilateral agreement

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.

Appendix

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.

Price field may contain any number as long as it's not blank

Post

Note: The 'Price' field is for record keeping purposes only and cannot be blank. It does not represent the auction clearing price.

ID	Source	Sink	Start	End	Market	Class	Hedge	Trade	MW	Price
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	20/23 Long Term Auction YR2 1	OffPeak	Obligation	Sell	5	\$ 1.00
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	21/22 Annual Auction YR3 3	OffPeak	Obligation	Sell	5	\$ 1.00
	CRANESCR35 KV STAFFOLF	NRTHNECK13 KV GT1	3/1/2022	3/31/2022	20/23 Long Term Auction YR2 1	OffPeak	Obligation	Sell	2	\$ 1.00
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	DEC 2021 Auction MAR 1	OnPeak	Obligation	Sell	8	\$ 1.00

Price field currently not used to report path price/ mw or total paid

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.

Provide choice: Report the Path Price OR the Bundled FTRs Aggregate Total:

1. Price/Path/MW/Period

New

Path Price/MW/Period

Aggregate Bundle value

Post

Enter desired Path Price/MW/Period

ID	Source	Sink	Start	End	Market	Class	Hedge	Trade	MW	Price
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	20/23 Long Term Auction YR2 1	OffPeak	Obligation	Sell	5	\$ 625.00
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	21/22 Annual Auction YR3 3	OffPeak	Obligation	Sell	5	\$ 625.00
	CRANESCR35 KV STAFFOLF	NRTHNECK13 KV GT1	3/1/2022	3/31/2022	20/23 Long Term Auction YR2 1	OffPeak	Obligation	Sell	2	\$ 60.00
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	DEC 2021 Auction MAR 1	OnPeak	Obligation	Sell	8	\$ 1,100.00

The screen will offer option to upload this data via xml

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.

Provide choice:

2. FTRs Bundled Aggregate Value

New

- Path Price/MW/Period
- Bundled Aggregate value

Enter desired Bundle Aggregate value

Post

ID	Source	Sink	Start	End	Market	Class	Hedge	Trade	MW
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	20/23 Long Term Auction YR2 1	OffPeak	Obligation	Sell	5
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	21/22 Annual Auction YR3 3	OffPeak	Obligation	Sell	5
	CRANESCR35 KV STAFFOLF	NRTHNECK13 KV GT1	3/1/2022	3/31/2022	20/23 Long Term Auction YR2 1	OffPeak	Obligation	Sell	2
	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	DEC 2021 Auction MAR 1	OnPeak	Obligation	Sell	8

Aggregate Total **\$ 15,170.00**

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.



Proposed: Available Tab View

Reflects what is available for sale as posted by posting party

System generated
original cleared Path
Price/MW/Period

Entered desired
Path
Price/MW/Period

Available

Action	ID	Posted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW	Price	MW*Price
Sell		BOND007	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	\$ 600.00	OffPeak	Obligation	Sell	5	\$ 625.00	\$ 3,125.00
Sell		BOND007	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	\$ 650.00	OffPeak	Obligation	Sell	5	\$ 625.00	\$ 3,125.00
Sell		BOND007	CRANESCR35 KV STAFFOLF	NRTHNECK13 KV GT1	3/1/2022	3/31/2022	\$ 55.00	OnPeak	Obligation	Sell	2	\$ 60.00	\$ 120.00
Sell		BOND007	BIRCHWD 18 KV NUG	ARNOLDCR35 KV KGORGELF	3/1/2022	3/31/2022	\$ 1,000.00	OnPeak	Obligation	Sell	8	\$ 1,100.00	\$ 8,800.00

Aggregate Total \$ 15,170.00

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.



Proposed: Confirmed Tab View

Option 1: Price/Path/MW/Period and Aggregate Total, consistent with bilateral agreement

Confirmed

ID	Posted By	Accepted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW	Price	MW*Price	Confirmation Time
BOND007	DrNo		BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 600.00	OffPeak	Obligation	Sell	5	\$ 575.00	\$ 2,875.00	9/30/2021 15:01
BOND007	DrNo		BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 2,100.00	OffPeak	Obligation	Sell	5	\$ 575.00	\$ 2,875.00	9/30/2021 15:01
BOND007	DrNo		CRANESCR35 KV	NRTHNECK13 KV	3/1/2022	3/31/2022	\$ 55.00	OnPeak	Obligation	Sell	2	\$ 50.00	\$ 100.00	9/30/2021 15:01
BOND007	DrNo		BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 250.00	OnPeak	Obligation	Sell	8	\$ 950.00	\$ 7,600.00	9/30/2021 15:01

Aggregate Total \$ 13,450.00

Path prices and Total Must Match Bilateral Agreement

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.

Option 2: Aggregate Total, consistent with bilateral agreement

Confirmed

ID	Posted By	Accepted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW	Confirmation Time
BOND007	DrNo	DrNo	BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 600.00	OffPeak	Obligation	Sell	5	9/30/2021 15:01
BOND007	DrNo	DrNo	BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 2,100.00	OffPeak	Obligation	Sell	5	9/30/2021 15:01
BOND007	DrNo	DrNo	CRANESCR35 KV	NRTHNECK13 KV	3/1/2022	3/31/2022	\$ 55.00	OnPeak	Obligation	Sell	2	9/30/2021 15:01
BOND007	DrNo	DrNo	BIRCHWD 18 KV	ARNOLDCR35 KV	3/1/2022	3/31/2022	\$ 250.00	OnPeak	Obligation	Sell	8	9/30/2021 15:01

Aggregate Total **\$ 13,450.00**

Must Match
Bilateral
Agreement

* All statements, discussions, presentations, documents, and/or other materials, whether written or otherwise, used in the course of this PJM stakeholder process are to effectuate the objectives established under this issue charge prospectively. All participants acknowledge that there are ongoing disputes and litigation related to these matters and the aforementioned statements, discussions, presentations, documents, and/or other materials are not intended to be representative of any definitive position or practice of PJM or any other party, are of the nature of subsequent remedial measures, and should not be admissible in the aforementioned disputes and litigation.