



FTR Bilateral Agreement Reform

As of May 14, 2024

Action Required	Deadline	Who May Be Affected
FTR Center Bilateral Changes - Train	4/30/2024	FTR Bilateral Traders
FTR Center Bilateral Changes - Prod	6/30/2024	FTR Bilateral Traders



Bilateral Changes (Train 4/30/2024)

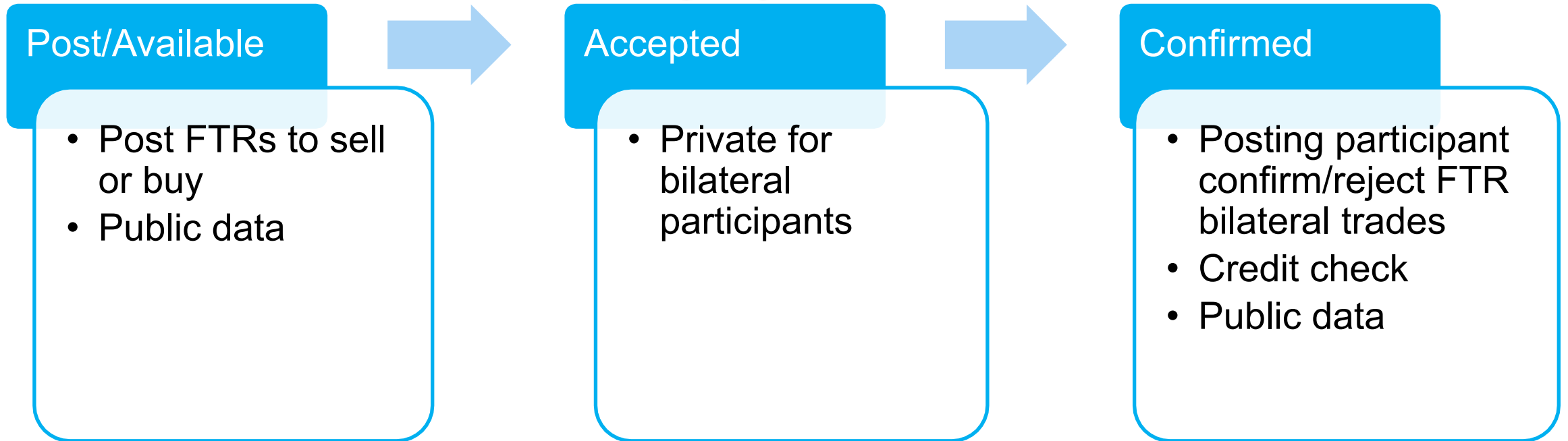
- FTR bilateral traders can test by submitting a bilateral agreement
 - Test between two accounts if data are available in the Train
 - Ask FTR group to coordinate on testing if data are not available in the Train environment

Bilateral Changes (Prod 6/30/2024)

- FTR bilateral traders are required to submit a bilateral agreement for FTR trades confirming after 6/30/2024
- Be prepared for the longer processing of FTR bilateral trading

- Requiring the seller under a FTR bilateral agreement to confirm to PJM that it retains no continuing or lingering interest in the underlying FTR being sold.
- Requiring that certain primary economic terms of the FTR bilateral agreement and the related underlying FTR be reported to PJM by the buyer.
- Establishing a 48-hour time period, following execution of the FTR bilateral agreement, for the buyer to report such terms to PJM.
- Requiring the buyer under the FTR bilateral agreement to submit the document evidencing the FTR bilateral agreement to PJM.

https://elibrary.ferc.gov/eLibrary/filelist?accession_num=20240415-3060



New Bilateral Trading Process

Post

- Sell or buy
- Public
- Require to fill in 'Price*'

*The price (\$/MW) field should be completed with the actual price or prices paid under the FTR bilateral agreement.

Accepted

- Private for bilateral participants

Pre-Confirmed

- Posting participant confirm/reject
- Credit Check

Members enter bilateral trades as the current method and process

New Steps

Submit Agreement

- New page under 'Trading' to list all FTR bilateral trades which need the agreements
- Only Accepting participants to create/modify the bundle of FTR trades and submit the agreements
- Private

PJM Check

- PJM will check the agreements
- Credit check
- Communicate with the bilateral participants if need

Final Confirm

- Bilateral FTR data become public after PJM's approval
- All FTR bilateral trades are still shown in the 'Confirmed' page

- Outside any auction window
- If any FTR effective next month is included in the bilateral trading, please start the trading process as early as possible.

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Contact FTR Group for the technical questions about FTR Center and the bilateral process

TradeRiskandAnalytics@pjm.com

Contact Trade Risk and Analytics group for the business rules and the bilateral agreement related questions.

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FTR Center



Member Hotline

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**PROTECT THE
POWER GRID
THINK BEFORE
YOU CLICK!**



Be alert to
malicious
phishing emails.

Report suspicious email activity to PJM.
(610) 666-2244 / it_ops_ctr_shift@pjm.com



Appendix

Product Details

FTR Bilateral Transactions Review and Reporting Requirements were discussed in Risk Management Committee

[FTR Bilateral Review and Reporting Summary - Presentation](#)

[Issue Tracking: FTR Bilateral Review and Reporting Requirements](#)

Step 1: Post FTR Bilateral Trades

- Set the Start Day and End Day
- “Price”(\$/MW) should be completed with the actual price or prices paid under the FTR bilateral agreement.
- Submit existing FTRs to the secondary trading bulletin board service through either FTR center web page or XML query (examples shown in the next slide)
- FTRs cannot be reconfigured in the secondary market.
- An FTR can be split into multiple FTRs on the same path with different MW amounts and different start and end dates from the original FTR.

Step 1: Examples

- Submit a bilateral FTR through FTR Center website
- Submit a bilateral FTR through XML query

Start Day End Day Refresh Save

Post Available Accepted Agreement Confirmed Activity Log

5/1/2024>>5/31/2024 Note: The 'Price (\$/MW)' should be completed with the actual price or prices paid under the FTR bilateral agreement. Row Count

ID	Source	Sink	Start	End	Market	Class	Hedge
177020745	METED	ASCO	5/1/2024	5/31/2024	21/24 Long Term Auction (1) YR3	24H	Obligation
177020754	METED	ASCO	5/1/2024	5/31/2024	21/24 Long Term Auction (2) YR3	24H	Obligation
177020761	METED	ASCO	5/1/2024	5/31/2024	21/24 Long Term Auction (1) YR3	24H	Obligation
177020770	METED	BUCKLE	5/1/2024	5/31/2024	21/24 Long Term Auction (3) YR3	OnPeak	Obligation

```

<env:Envelope xmlns:env="http://schemas.xmlsoap.org/soap/envelope/">
<env:Header/> <env:Body> <SubmitRequest xmlns="http://eftr.pjm.com/ftr/xml">
<TradingPost>
  <FTR trade="Sell" market="21/24 Long Term Auction" round="5" >
    <Interval start="2024-05-01" end="2024-05-31"/> <Path source="METED" sink="MISO10RM422 (C. G2" />
    <Class>DailyOnPeak</Class> <Period>YR3</Period> <Hedge>Obligation</Hedge> <MW>1</MW>
    <Price>000</Price> <BundlePriceType>PERPATH</BundlePriceType>
  </FTR>
</TradingPost>
</SubmitRequest>
</env:Body> </env:Envelope>

```

Step 2: Accept FTR Bilateral Trades

- Go to the Trading button
- Select the Available tab
- Select Start day and End Day
- Click to highlight the bilateral trade to be accepted
- Select the Save button

Step 2: Examples

- Accept a bilateral FTR through FTR Center website
- Accept a bilateral FTR through XML query

Start Day End Day Refresh Save

Post Available Accepted Agreement Confirmed Activity Log

5/1/2024>>5/31/2024 Note: The 'Price (\$/MW)' should be completed with the actual price or prices paid under the FTR bilateral agreement. Row Count: 7

<input type="checkbox"/>	Action	ID	Posted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW	Price
<input checked="" type="checkbox"/>	Accept	177329743	DM	METED	ACCO	5/1/2024	5/31/2024	0.40	24H	Obligation	Sell	0.5	500.00
<input checked="" type="checkbox"/>	Accept	177329701	DM	METED	ACCO	5/1/2024	5/31/2024	0.91	24H	Obligation	Sell	0.8	500.00
<input checked="" type="checkbox"/>	Accept	177329701	DM	METED	ACCO	5/1/2024	5/31/2024	0.40	24H	Obligation	Sell	0.3	500.00
<input type="checkbox"/>	Accept	177329701	DM	METED	BUCKLE	5/1/2024	5/31/2024	-3.58	OnPeak	Obligation	Sell	1.0	800.00
<input type="checkbox"/>	Accept	177329930	DM	METED	BUCKLE	5/1/2024	5/31/2024	-3.58	OnPeak	Obligation	Sell	1.0	800.00

```
<env:Envelope xmlns:env="http://schemas.xmlsoap.org/soap/envelope/">
<env:Header/> <env:Body> <SubmitRequest xmlns="http://eftr.pjm.com/ftr/xml">
<TradingAction action="AcceptTrade"> <ID>177330256</ID> </TradingAction>
</SubmitRequest>
</env:Body> </env:Envelope>
```


Step 3: Confirm FTR Bilateral Trades

- Posting participants will need to confirm FTR bilateral trades
- Go to the Trading button
- Select the Available tab
- Select Start day and End Day
- Click to highlight the bilateral trade to be confirmed
- Select the Save button
- Will check credit requirements

Step 3: Examples

- Confirm a bilateral FTR through FTR Center website
- Confirm a bilateral FTR through XML query

Start Day End Day Refresh Save

Post Available **Accepted** Agreement Confirmed Activity Log

5/1/2024>>5/31/2024 Note: The 'Price (\$/MW)' should be completed with the actual price or prices paid under the FTR bilateral agreement. Row Count: 7

<input type="checkbox"/>	Action	ID	Posted By	Accepted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	He
<input checked="" type="checkbox"/>	Confirm	177329745	...	PJM1ST	METED	ACCO	5/1/2024	5/31/2024	0.40	24H	Obt
<input checked="" type="checkbox"/>	Confirm	177329751	...	PJM1ST	METED	ACCO	5/1/2024	5/31/2024	0.91	24H	Obt
<input checked="" type="checkbox"/>	Confirm	177329761	...	PJM1ST	METED	ACCO	5/1/2024	5/31/2024	0.40	24H	Obt
<input type="checkbox"/>	None	177329775	...	PJM1ST	METED	DUCKEE	5/1/2024	5/31/2024	-3.58	OnPeak	Obt
<input type="checkbox"/>	None	177329789	...	PJM1ST	METED	DUCKEE	5/1/2024	5/31/2024	-3.58	OnPeak	Obt

```
<env:Envelope xmlns:env="http://schemas.xmlsoap.org/soap/envelope/">
<env:Header/> <env:Body> <SubmitRequest xmlns="http://eftr.pjm.com/ftr/xml">
<TradingAction action="ConfirmTrade"> <ID>177329745</ID> </TradingAction>
</SubmitRequest>
</env:Body> </env:Envelope>
```

FTR Bilateral Trading (New Bilateral Agreement tab)

- Show all FTR trades by selecting Start Day, End Day, Posted By and Accepted By.
- Can download the data into a CSV file.
- Group one or multiple FTR trades into a bundle.
- One FTR trade can not be included into the different bundles.
- FTR trades under the same bundle have to have the same posting and accepting participants.
- Submit one agreement for one bundle.

Step 4 (new): Create Bundle

- Only accepting participants can create bundles.
- Check one or multiple FTR trades, click 'Create Bundle' button
- Another window will pop-up: fill in the bundle name and choose the bundle price type
- The price shown in an agreement:
 - ✓ Per Path Price (is the "Price" shown in the first step of post): the total price will be calculated by the software for the agreement.
 - ✓ Bundle Price: one price to cover all FTR trades in the agreement.
- XML query is available for creating bundles.

Step 4: Examples

- Create bundle through new bilateral agreement tab
- Create bundle through XML query

The screenshot shows the 'New Bilateral Agreement' tab in the FTR Bilateral Trading interface. At the top, there are filters for 'Start Day' (4/1/2024), 'End Day' (5/31/2024), 'Posted By', and 'Accepted By'. Below these are tabs for 'Post', 'Available', 'Accepted', 'Agreement', 'Confirmed', and 'Activity Log'. The 'Agreement' tab is active, and the 'Create Bundle' button is highlighted. A table displays the following data:

ID	Posted By	Accepted By	Source	Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW	Price
1	DOMLSE	DOMLSE	...	...	4/1/2024	5/31/2024						
2	DOMLSE	DOMLSE	...	...	5/1/2024	5/31/2024						
3	DOMLSE	DOMLSE	...	...	4/1/2024	4/30/2024						

A 'Create Bundle' modal dialog is open, showing the following fields:

- Bundle Name: [Empty]
- Posting Participant Name: DOMLSE
- Price:
 - Per Path Price
 - Bundle Price [Empty]

Buttons for 'Cancel' and 'Save' are visible at the bottom of the dialog.

```
<env:Envelope xmlns:env="http://schemas.xmlsoap.org/soap/envelope/">
<env:Header/> <env:Body> <SubmitRequest xmlns="http://eftr.pjm.com/ftr/xml">
<TradingBundles>
  <TradingBundle>
    <Name>PJM_PJM151_TEST11</Name> <PostedBy>DOMLSE</PostedBy> <AcceptedBy>DOMLSE</AcceptedBy>
    <PriceType>PERBUNDLE</PriceType> <PriceTotal>2000</PriceTotal>
    <BilateralID> <ID>177000055</ID> <ID>177000056</ID> <ID>177000055</ID> </BilateralID>
  </TradingBundle>
</TradingBundles> </SubmitRequest> </env:Body> </env:Envelope>
```

Step 5 (new): Bundle Information – Submit agreements and submit to PJM

- This step is to upload agreements and submit to PJM.
- Can delete bundle if participants want to regroup FTR trades.
- Select 'UPLOAD FILE', another window will pop-up
- Uploading file (submitting the agreement) has to be done through FTR Center (no XML query available).
- Provide the file description, and choose the PDF file only.
- Can re-upload the file before submitting to PJM.
- After submit to PJM, no more change is allowed.

Step 5: Examples

- Upload File

Start Day End Day Posted By Accepted By Refresh XML CSV

Post Available Accepted **Agreement** Confirmed Activity Log

STEP 2: Bundle Information - Submit supporting documents and submit to PJM Download

Bundle ID	Bundle Name	Posting Participant	Accepting Participant	Bundle Status	Action
11				READY TO SUBMIT	None
10				READY TO SUBMIT	None UPLOAD FILE DELETE BUNDLE

Upload File ✕

Description

PDF File only

No file chosen

- Submit to PJM

Start Day End Day Posted By Accepted By Refresh XML CSV

Post Available Accepted **Agreement** Confirmed Activity Log

STEP 2: Bundle Information - Submit supporting documents and submit to PJM Download

Bundle ID	Bundle Name	Posting Participant	Accepting Participant	Bundle Price Type	Bundle Price Total	File Name	Bundle Status	Action
70	PJM_TEST1	PJM	PJM	PERBUNDLE	2,000.00	PJM_ParmTest_20240430_bilateral_agreement_example.pdf	READY TO SUBMIT	None SUBMIT TO PJM UPLOAD FILE DELETE BUNDLE

- PJM will review the agreement
 - Verification of reported Primary Economic Term
 - Special provisions
- Check credit requirements
 - Purchaser's ability to perform, including meeting creditworthiness Requirements
 - Collateral calls if necessary
- PJM will respond within 48 hours.

Step 6: Review the FTR bilateral trades after PJM check

- If FTR bilateral trades have been checked by PJM, PJM will run the final confirm process
- The bundles with agreements will be shown as 'Confirmed'
- All bilateral FTRs which have been finally confirmed by PJM will be shown on the 'Confirmed' page
- Each bilateral FTR will include the information of 'Bundle Price Type' and 'Bundle Price'

Step 6. Examples

STEP 2: Bundle Information - Submit supporting documents and submit to PJM [Download](#)

Bundle ID	Bundle Name	Posting Participant	Accepting Participant	Bundle Price Type	Bundle Price Total	File Name	Bundle Status	Action
70	BUNDLE_BMTST_20240630	PJM	PJMST	PERBUNDLE	2,000.00	BUNDLE_BMTST_20240630_Bilateral agreement example.pdf	CONFIRMED	

Start Day

End Day

Posted By

Accepted By

[Refresh](#)



- [Post](#)
- [Available](#)
- [Accepted](#)
- [Agreement](#)
- [Confirmed](#)**
- [Activity Log](#)

6/1/2024>>6/30/2024

Note: The 'Price (\$/MW)' should be completed with the actual price or prices paid under the FTR bilateral agreement.

Row Count: 1

Sink	Start	End	Clearing Price (\$/MW-Period)	Class	Hedge	Trade	MW	Price	Confirmation Time	Bundle Price Type	Bundle Price
MARLOWE 34 KV WAGERISF	6/1/2024	6/30/2024	0.20	OnPeak	Obligation	Buy	100	100.00	6/1/2024 14:35:47	PERBUNDLE	2,000.00