

FTR Forfeiture Rule Discussion

MIC

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Background

- **Some stakeholders believe that the FTR Forfeiture Rule may be too restrictive and may:**
 - **forfeit “legitimate business activity”**
 - **deter virtual activity/use of virtual products**

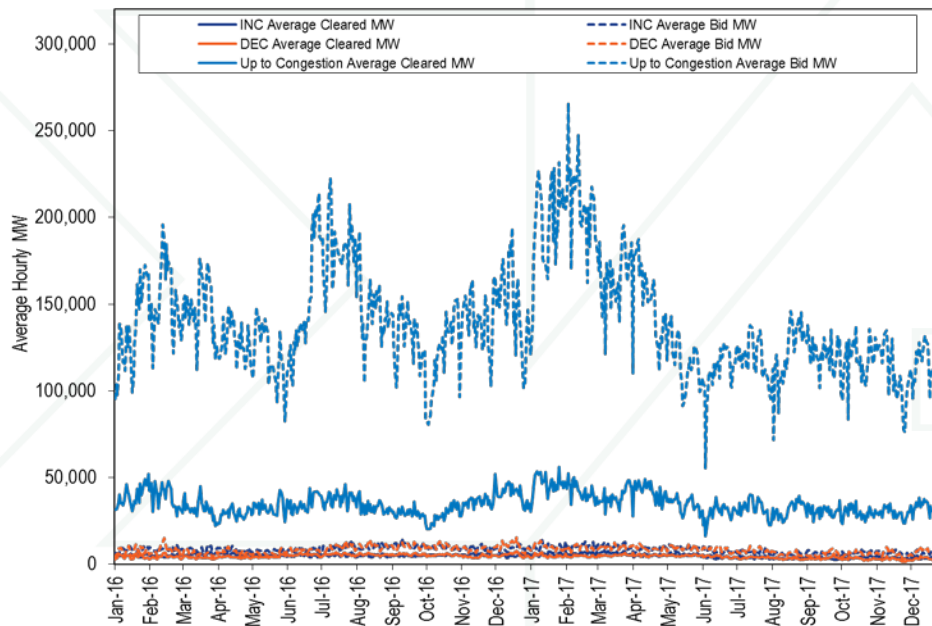
Background

- **No evidence to support these concerns**
 - **Rule correctly includes flows from hubs and interfaces, as required by the FERC order.**
 - **Virtual activity/use of virtual products by FTR Holders continues.**
 - **FTR holders still clearing virtual bids/offers with no forfeiture.**
 - **FTR forfeitures are down since billing started.**

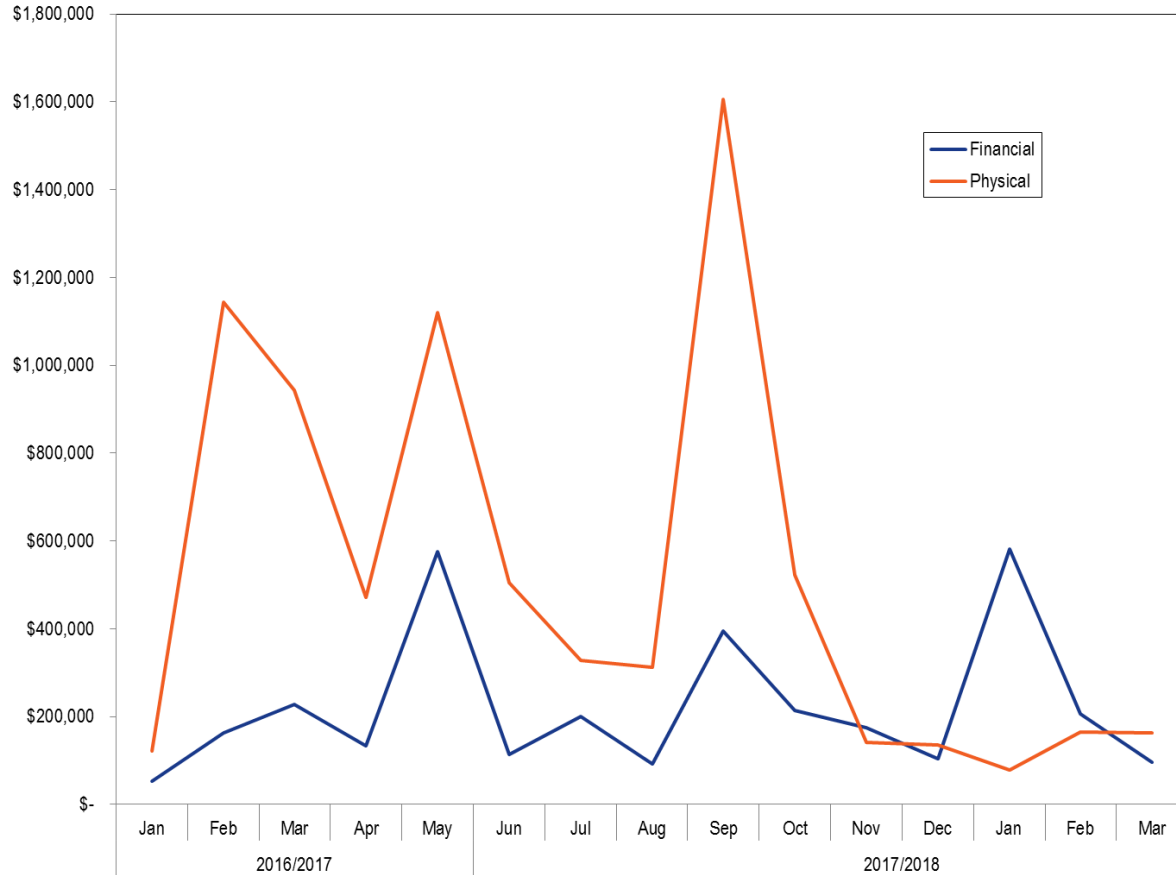
Average hourly number of cleared and submitted INCs and DEC's by month: 2016 and 2017

Year	Increment Offers				Decrement Bids			
	Average Cleared MW	Average Submitted MW	Average Cleared Volume	Average Submitted Volume	Average Cleared MW	Average Submitted MW	Average Cleared Volume	Average Submitted Volume
2016 Jan	4,350	6,447	78	398	5,153	7,320	76	295
2016 Feb	4,754	7,109	116	578	4,511	7,445	72	409
2016 Mar	4,973	8,689	142	760	4,305	8,894	101	648
2016 Apr	4,511	6,351	187	558	3,453	6,990	84	451
2016 May	5,089	7,459	181	656	4,171	6,823	94	404
2016 Jun	4,592	7,043	143	697	4,196	6,696	89	410
2016 Jul	4,101	6,534	128	745	3,335	5,830	86	448
2016 Aug	4,457	6,956	135	749	3,433	5,506	74	398
2016 Sep	4,527	6,772	148	733	4,391	7,030	112	437
2016 Oct	4,631	7,112	199	846	3,990	6,757	112	462
2016 Nov	5,022	7,822	223	1,008	3,671	6,435	109	482
2016 Dec	5,102	7,775	189	1,010	4,028	6,869	129	486
2016 Annual	4,675	7,175	156	729	4,051	6,879	95	444
2017 Jan	5,855	10,169	205	1,288	4,811	9,753	136	821
2017 Feb	6,058	10,590	266	1,430	4,599	9,326	149	784
2017 Mar	6,427	10,516	312	1,669	5,170	9,915	170	1,019
2017 Apr	5,115	8,860	280	1,401	5,139	8,986	178	776
2017 May	5,643	9,724	278	1,286	5,030	9,188	164	768
2017 Jun	3,961	7,705	193	1,153	4,314	8,257	173	831
2017 Jul	3,921	7,087	233	1,014	3,807	7,828	167	779
2017 Aug	3,418	5,951	279	1,022	3,209	5,845	169	593
2017 Sep	3,537	6,201	190	919	3,502	6,076	139	603
2017 Oct	3,927	6,498	309	1,128	3,111	6,008	168	586
2017 Nov	3,558	6,454	290	1,240	2,632	5,970	179	683
2017 Dec	3,404	6,029	234	1,102	3,138	7,400	177	793
2017 Annual	4,562	7,968	256	1,220	4,035	7,874	164	753

Daily bid and cleared INCs, DECs, and UTCs (MW): 2016 and 2017



Forfeitures



Joint IMM and PJM effort

- **Perceived participant issue was the result of unexpected changes in the capability of specific MISO/PJM flowgates.**
- **Continue to evaluate flowgate line ratings.**
- **No indication that PJM DA line ratings are incorrect based on PJM/MISO JOA.**

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