

# FTR Credit Exposure from Transmission Changes



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April 12, 2017

- PJM has observed the possibility of FTR exposures that are not explicitly addressed by existing FTR credit requirement provisions in the Tariff.
  - Credit requirements not matching expected future congestion patterns due to potential changes in future congestion due to major planned outages or RTEP changes
  - Potential high volume portfolios with little or no credit requirement
- Up to now, PJM has relied on discretionary credit requirement provisions in the Tariff to try to address exposures once observed.
- However, credit requirements are more effectively implemented prior to FTRs being cleared.

- PJM recommends updating the Credit Policy to explicitly address these potential exposures and to provide more certainty and transparency to members.
- PJM will engage the Credit Subcommittee on its April 20<sup>th</sup> conference call to address these concerns.
- Additionally, PJM will also propose a Problem Statement and Issue Charge at the April 27<sup>th</sup> MRC meeting to discuss how to incorporate RTEP upgrades into future FTR auctions.
- PJM encourages stakeholder participation in these discussions.