

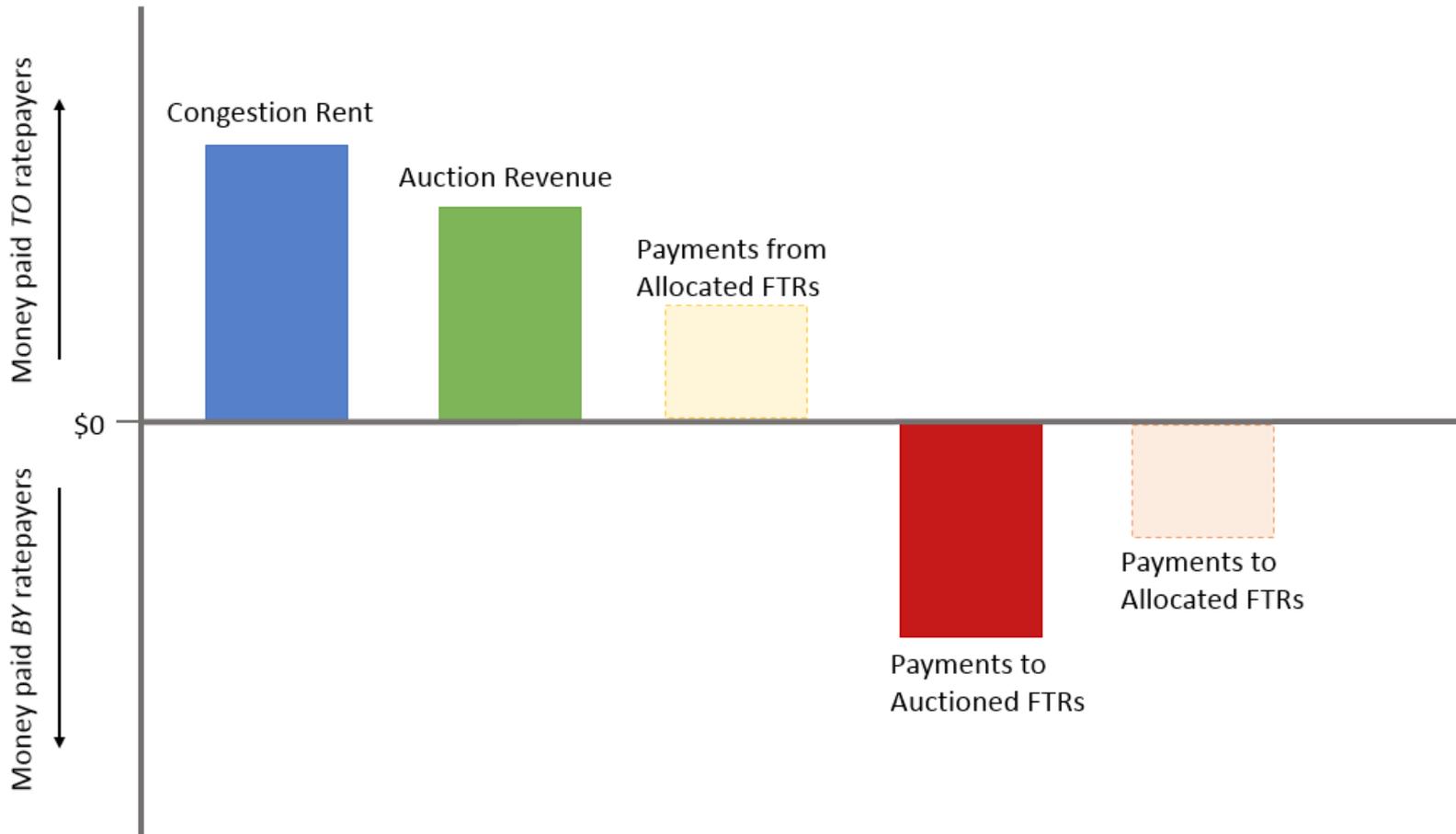


Auctioned FTRs: Financial swaps ratepayers are forced to sell...for huge losses

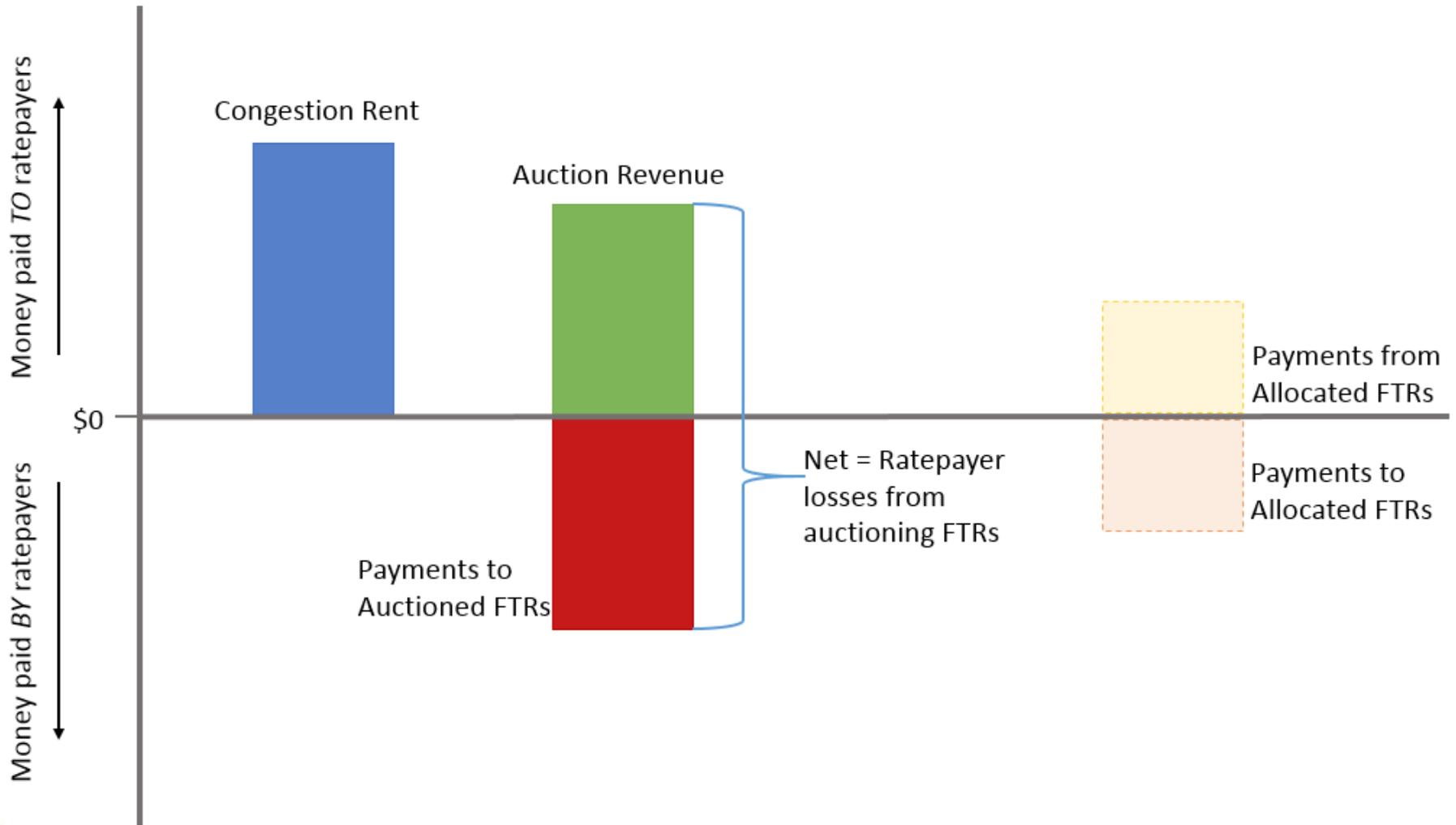
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Harvard Electricity Policy Group Meeting
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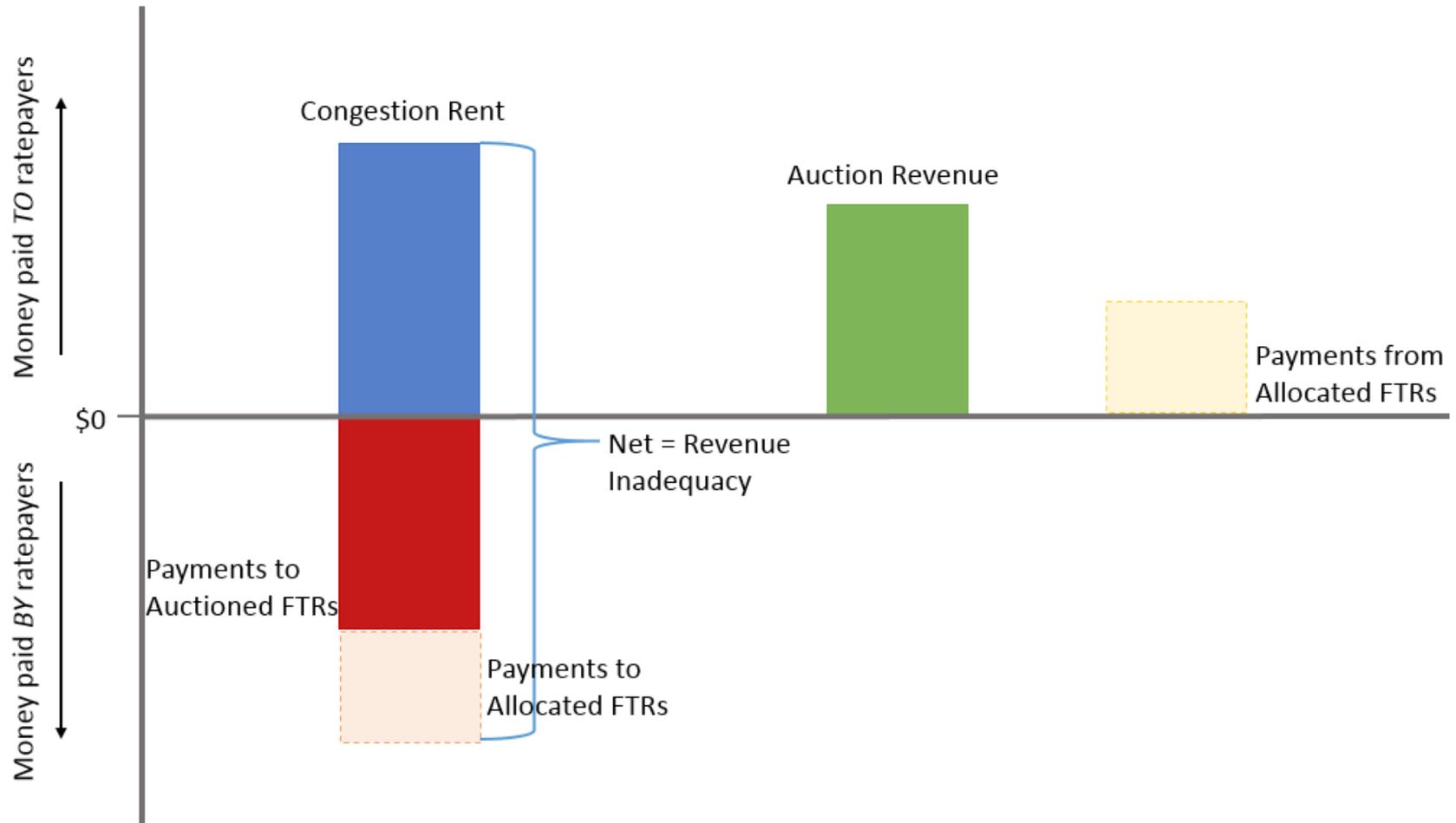
Congestion rent and FTR money flows from perspective of those who paid for transmission system (e.g. ratepayers)



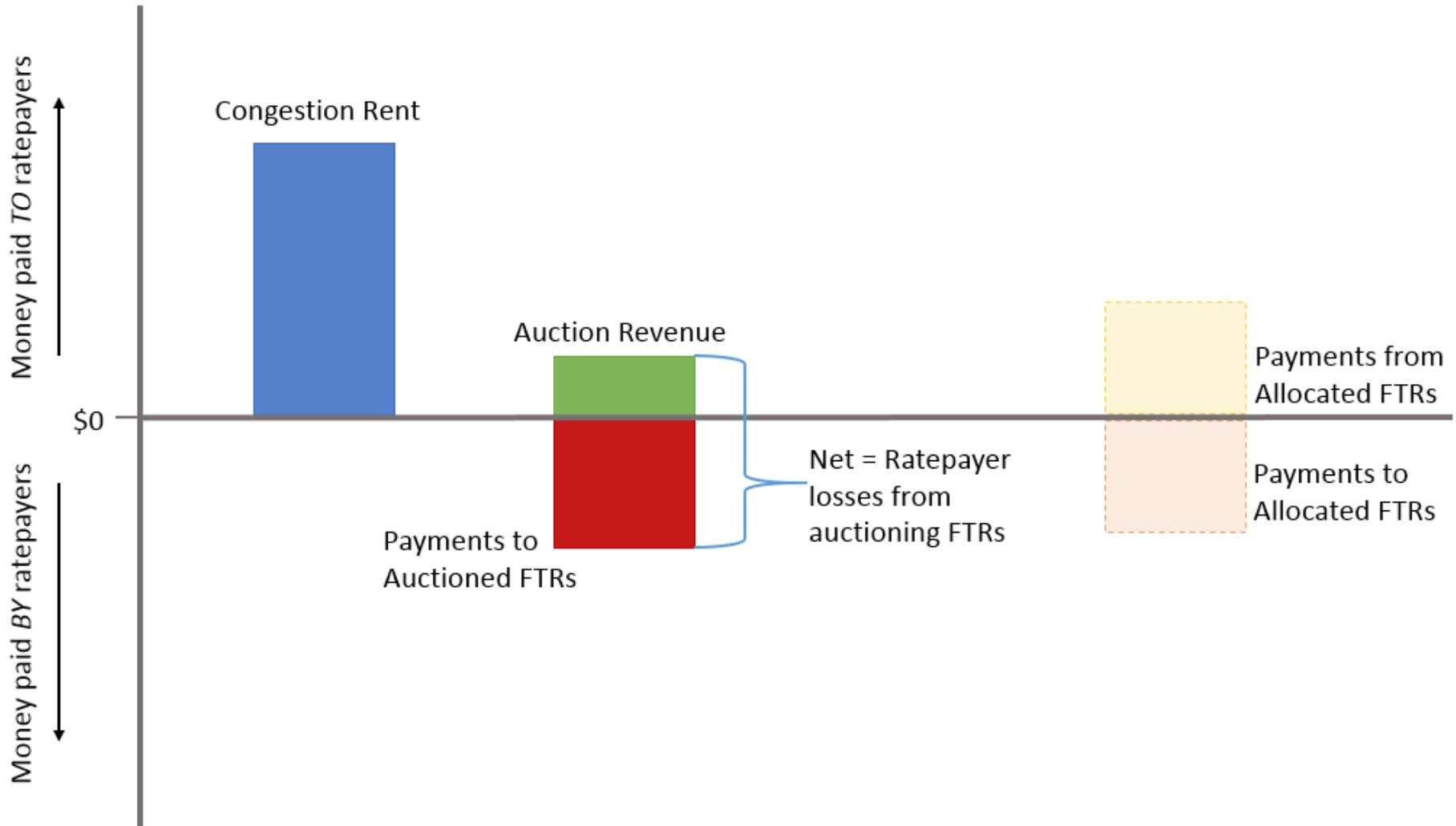
Congestion rent and FTR money flows: Auctioned FTR = financial swap



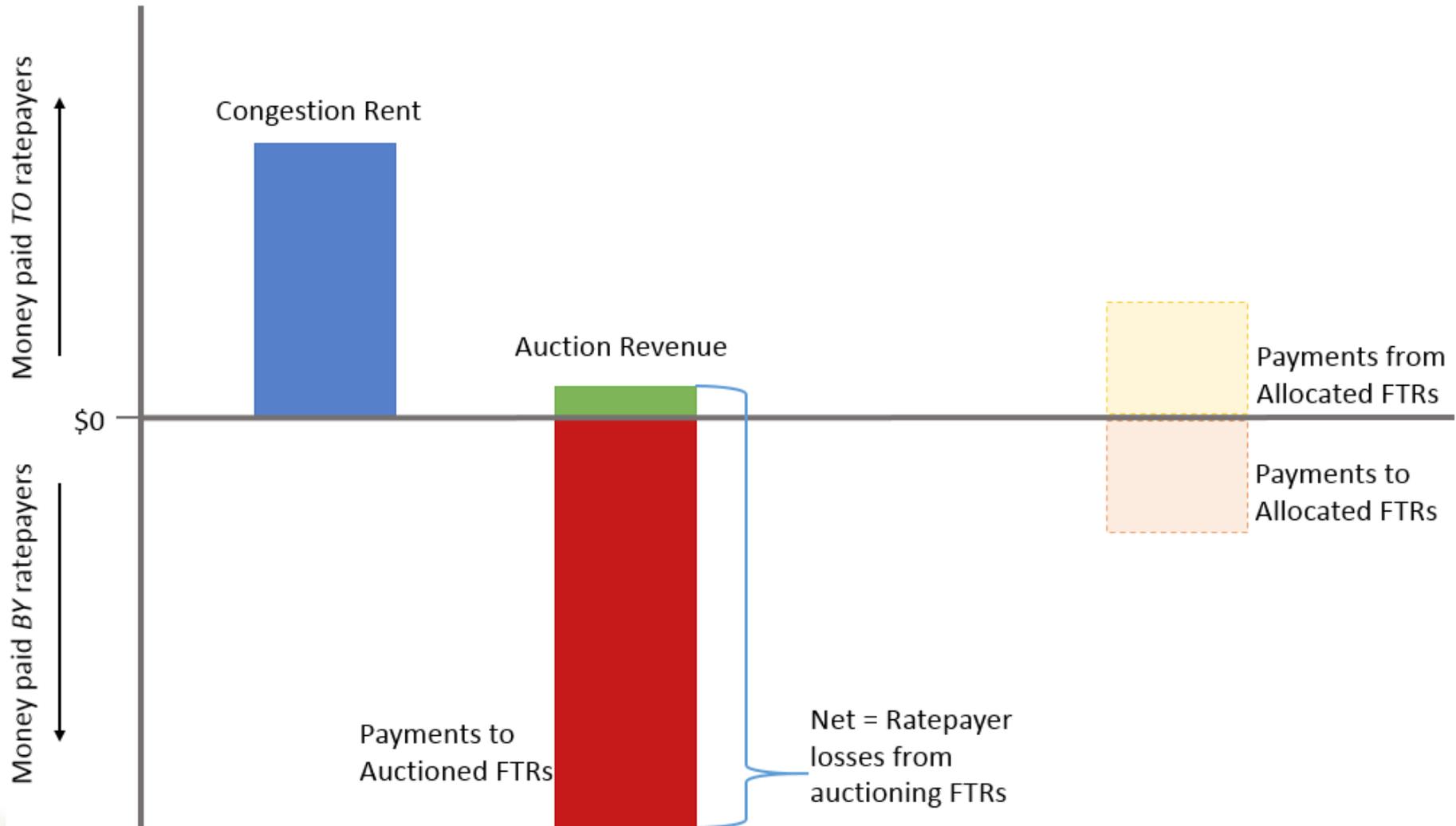
Congestion rent and FTR money flows: FTR viewed as “right to congestion rents”



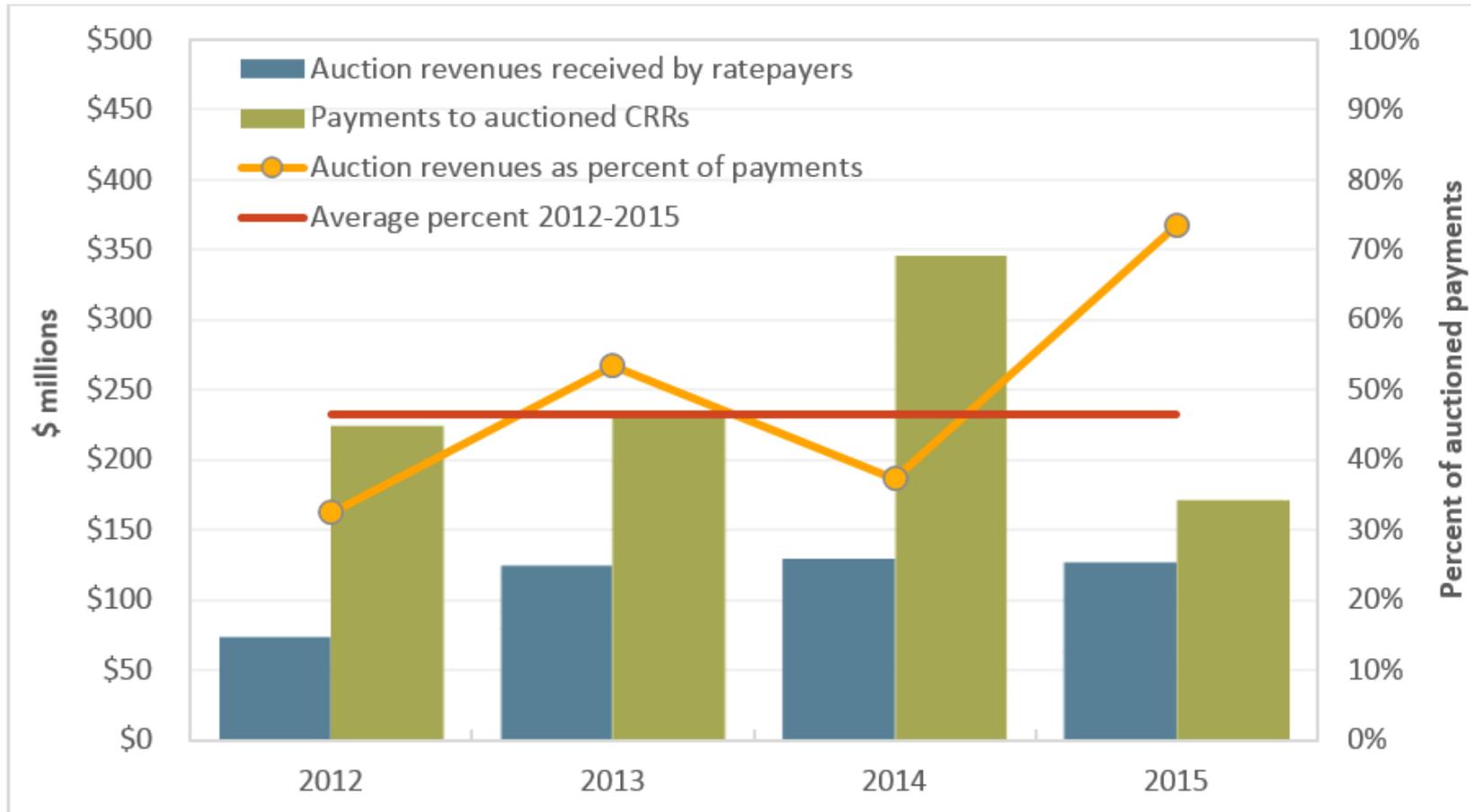
Congestion rent and FTR money flows: Auctioned FTR = financial swap (part 2)



Congestion rent and FTR money flows: Auctioned FTR = financial swap (part 3)



CAISO FTR auction revenues and payments to auctioned FTRs (excluding LSEs)



Source: 2015 Annual Report on Market Issues and Performance, Department of Market Monitoring, May 2016, p. 186.