

Executive Summary

Affordable Grid Coalition — A Consumer Affordability Initiative

The Problem

Electricity consumers pay for the entire transmission grid — but the tools designed to return congestion revenue back to them are incomplete. The ARR/FTR framework provides a binary choice for utilities: take the auction revenue or self-schedule and capture the day-ahead value. This choice is made before congestion materializes. If the auction or day-ahead congestion does not reflect real-time congestion, then consumer credits are devalued. This creates a gap between the actual congestion charges incurred and the credits that are used to offset those charges.

The gap between charges and credits is passed through to the consumer.

The Scale

METRIC	VALUE	SOURCE
Total congestion charges (PJM, MISO, SPP)	\$30.8B	ISO settlement records, Jun 2018 – Jan 2026
Credits returned via ARR auctions	\$18.9B (61%)	XO Energy ARR credit analysis
Consumer funding shortfall	\$11.9B	\$30.8B in charges minus \$18.9B in auction credits
Additional credits available at the RT tier	\$7.1B	RT settlement value that helps close the gap
Total value left on the table (LOC benchmark)	\$29.3B	Difference between auction credits and optimal hedge
Renewable RT congestion since Jan 2023	\$5.5B	Largely unhedged; 37% of recent congestion
Markets analyzed to date	PJM, MISO, SPP	NYISO and CAISO analysis underway

\$15.0 billion of the \$30.8B total occurred in the last 3 planning years alone. Congestion is accelerating — driven by renewable energy growth, data center load, and grid constraints.

The Solution

An RT Congestion Hedge — a product that settles against real-time congestion at full nodal granularity, open to all market participants.

This is not theoretical. **ERCOT already operates this model.** Texas's Point-to-Point (PTP) Obligation product has been running for years with proven results.

- **Grows the total credit pool** — captures RT value that no existing product reaches
- **Makes existing ARR/FTR credits more valuable** — drives DA-RT price convergence
- **Hedges renewable congestion** — the first tool to manage \$5.5B+ in renewable-driven RT exposure
- **Requires no new legislation** — FERC has authority under existing law (Section 206, Federal Power Act)

The Ask

The Affordable Grid Coalition is filing **Section 206 complaints at FERC** in **April 2026** against PJM, MISO, and SPP — with NYISO and CAISO filings to follow.

We are asking FERC to:

1. **Find** that the existing congestion revenue crediting mechanisms are unjust and unreasonable because they systematically fail to return real-time congestion value to the consumers who fund the transmission grid
2. **Direct** each ISO to implement an RT Congestion Hedge modeled on ERCOT's proven design
3. **Be prescriptive** about real-time settlement, full nodal granularity, open access, and a fee structure that incentivizes convergence

Who can support:

State PUC Commissioners

Consumer Advocates

Attorneys General

Trade Associations

Market Participants

Municipal Utilities

Electric Cooperatives

Renewable Developers

Data Centers & Large Loads

Academic Institutions