- The negative net MWs indicate that the Market Participant is holding a counterflow position.
  - Example 2:
    - A Market Participant has been awarded the same or opposite contract path in the three different auctions for the same contract month and class type:
      - Auction #1 Buy 60 MW A -> B @ $50
      - Auction #2 Sell 40 MW A -> B @ $60
      - Auction #3 Buy 30 MW B -> A @ $75
    - The net MWs after each auction will be:
      - Auction #1 60 MW A -> B
      - Auction #2 20 MW A -> B
      - Auction #3 -10 MW A -> B
    - The negative net MWs indicate that the Market Participant is holding a counterflow position.

2. Calculating Proxy Value

- Inputs for the proxy value calculation will be:
  - Monthly average DALMP congestion component (DALMPcc) calculated for each p-node for the last 36 complete months
  - Separate proxy for on-peak and off-peak FTRs.

- For each p-node source and sink path combination the DALMP difference ~P_{LMPcc} will be calculated ~P_{LMPcc}=DALMPcc(sink) – DALMPcc(source).
  - This calculation will be repeated for each of the previous 36 sample months.
  - The standard deviation of 36 P_{LMPcc} values will be calculated. One for peak and one for off peak hours.
  - The multiples of standard deviation of 36 P_{LMPcc} will be used as the proxy value for the path.
  - Annual and monthly (including BoPP) FTRs may have different multipliers.
  - Prevailing flow and counterflow FTRs may have different multipliers.
  - The initial multipliers are shown in the following table:

Monthly	Annual	Counterflow Risk Factor
1.645	~~1.645~~ 0.475	1.20

- For p-nodes with insufficient historical LMP data, zonal LMPs will be used.
  - New p-nodes assigned to new load zones will utilize a designated proxy p-node.

3. Unsettled FTR Obligation

- The unsettled FTR obligation for all the most recently awarded FTR MWs is zero because their Mark-To-Market (MTM) value is zero.
  - The unsettled FTR obligation for the existing position is equal to the net present value of the position assuming that the position can be liquid

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8. Settlement Risk Financial Assurance Aggregation Rule (Portfolio diversification factor)

- When the SRFAs from different contract months are being aggregated, the following formula will apply: $SRFA = \sqrt{SRFA_1^2 + SRFA_2^2 + \cdots + SRFA_n^2}$. That is to say, all the remaining monthly SFRA will first be squared, and then summed up, and in the end, take the square root. In the formula, the n is the number of remaining months that participants have FTR positions.

- Likewise, when aggregating SRFAs from ON_PEAK and OFF_PEAK FTR class type, ISO will use the following formula: $SRFA = SRFA_1 + SRFA_2$