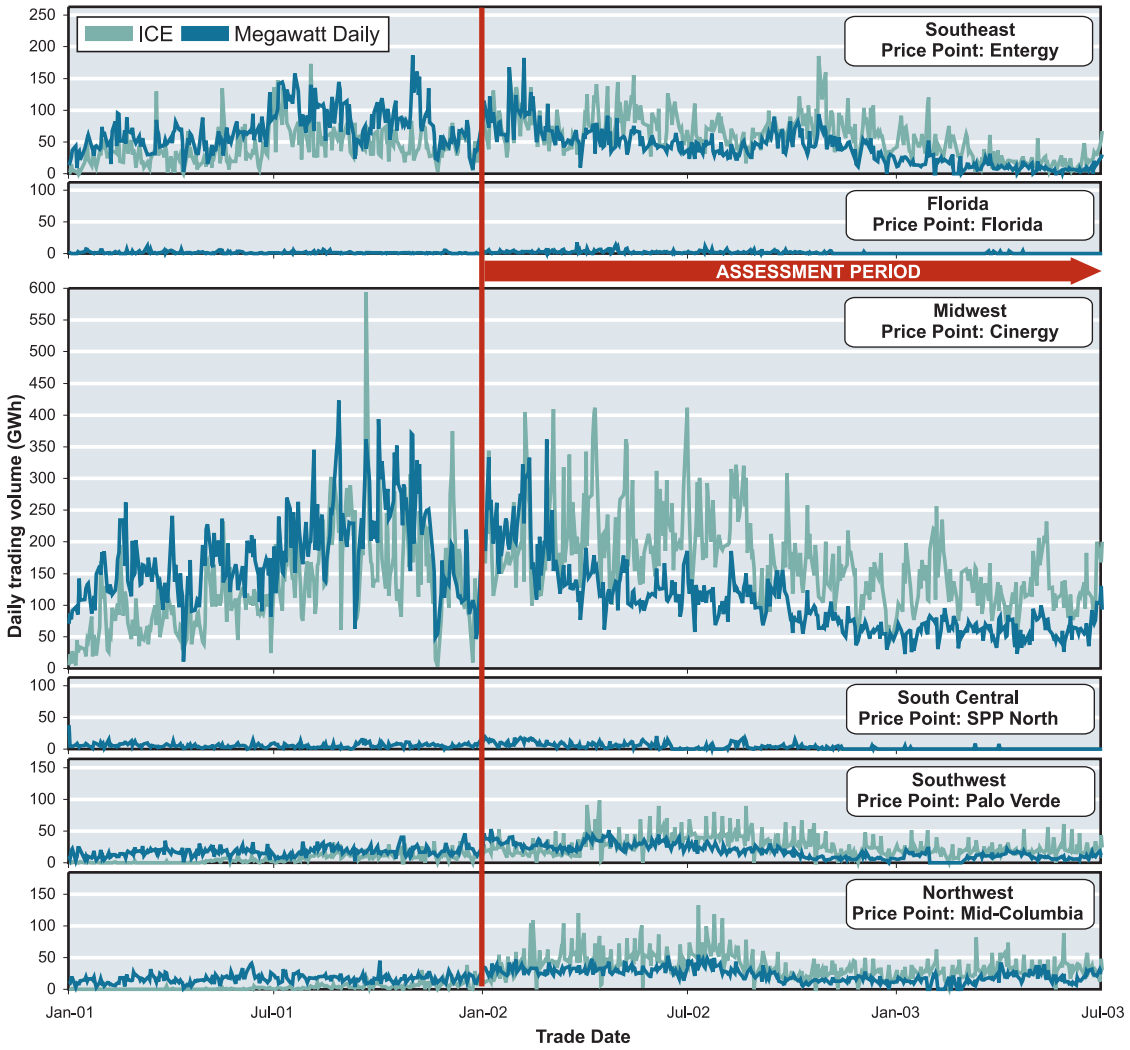
Figure 28: Reported trading volumes decline in regions without organized markets.



Note: ICE did not report trade volumes for day-ahead power for Florida and SPP North. *Megawatt Daily* volumes reflect on-peak transactions surveyed by the trade publication. *Megawatt Daily* data have been modified to make them comparable to ICE data. *Megawatt Daily* volumes have been multiplied by 16 to convert from a 16 peak-hour MW contract into a MWh. Final volumes are converted to GWh. In addition, since *Megawatt Daily* volumes include both buy and sell sides of transactions and ICE volumes include only the sell side of transactions, ICE volumes were doubled.

Source: Platts *Megawatt Daily* and ICE. Analysis and graphic by OMOI.

prevailing price is revealed through transactions within a small pool of counterparties.

Regions without organized markets lack any market-based approach to managing congestion. In the Eastern Interconnection, system operators use TLRs. TLRs are called when electricity flows exceed permitted levels to preserve the reliability of the electric transmission system. TLRs interrupt specific transmission flows or transactions and may curtail service to specific customers or future transmission schedules. The TLR procedure addresses reliability concerns and relies on administrative procedures rather than market mechanisms to control transmission flows. The procedure is not efficient, either in terms of minimizing flow needed to resolve constraints or of minimizing the economic cost of redispatch. It is also not administered uniformly, making congestion assessment extremely difficult outside RTOs and ISOs.[86]

[86] Regions with organized markets and within the Eastern Interconnection may call TLRs, but do so rarely because their LMP system prevents most congestion from rising to a level that necessitates calling a TLR.