

Direct Billing for Late Outages

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- A process does not currently exist in the PJM Tariff, Operating Agreement, or Manuals to allow a Transmission Owner to pay for the off-cost operations associated with late outages on Priority 1 facilities.
 - Under the current process, PJM would deny a late outage that is expected to result in congestion.
- Current language for direct billing in the Tariff and Operating Agreement, as presented at the October MRC meeting, applies only to non-market (Priority 2) facilities.
- Tariff, OA, and Manual-3 changes are required.

- Transmission Owners may elect to pay the costs of generators used to control congestion related to a 'late' outage request rather than have outage cancelled by PJM.
- Generators used for control must be identified in advance and removed from the LMP calculation in order to minimize market impact (i.e. late outage is expected to result in localized rather than system-wide congestion).
- All generators will be compensated consistent with current process as outlined in the Tariff and OA.
- If an outage is related to an RTEP upgrade, **and** the outage is late, **and** the outage may result in congestion, **and** the outage cannot be rescheduled, PJM will ask the T.O. to pay for the controlling actions.
- If a T.O. elects not to pay, PJM will post the late outage as a special notice on the OASIS.

- If a T.O. is not 'required' to pay for the generator control associated with a late RTEP outage but is given an 'option', a list of such outages should be provided to the MRC on an annual basis.
 - The OC agrees that a list of late outages resulting in congestion required for reliability where the T.O. was unwilling to pay for control should be provided.
- The option to allow late outages to take place impacts the system topology and LMP.
 - Unplanned outages and other factors impact the market. This proposal is being developed in an effort to allow outages to take place but to also minimize market impact.

- Generator compensation must be better defined.
 - The proposal with respect to generator compensation is now consistent with the Tariff and OA.
- Can a generator identified for control set LMP or have input into the decision to allow a late outage to proceed?
 - This proposal is being developed to minimize market impact. The generator should not be allowed to set LMP but does receive compensation as noted above.
 - A generator should not have input into a decision to take a transmission outage. However, PJM and the TOs routinely attempt to coordinate transmission and generation outages.

- Can a timing mechanism be included in this proposal to reduce market risk?
 - Due to the number of system variables there are times when congestion may not be readily identified 1-month or more in advance much like other unforeseen system events. Since this proposal attempts to minimize market impact a timing mechanism was not supported by the OC.
- Should Transmission Owners forfeit market revenue associated with outages under this process?
 - The OC discussed and understood this concern but does not support such language.