



Capacity Charge Reconciliation

Market Implementation Committee
July 9, 2014

- Peak Load Contribution (PLC) and Network Service Peak Load (NSPL) data must be uploaded to eRPM by EDCs 36 hours prior to the Operating Day
- The PA PUC has issued an order requiring EDCs to be able to accommodate a 3 business day switch for retail shopping customers
- EDCs are left with one day to receive the customer enrollment and update internal systems to recognize the change to suppliers in order to get the PLC and NSPL submission values correct
- Due to the tight turnaround there may be the potential for capacity and network expenses charged to retail suppliers to ultimately be inaccurate

- PLC and NSPL data are submitted to eRPM in same file
- 36 hour deadline is carry over from eCapacity
- Current PJM settlements processing does not require submittal of allocation data in advance of the operating day
- 36 hour deadline in RAA, Manual 18, and Manual 27

- MSS proposal:
 - Retain 36 hour advance submission of PLC and NSPL
 - Allow corrections to be made until 12 noon on next business day
- Poll Issued:
 - 107 responses
 - Asked to choose between status quo and proposed solution
 - 78% of respondents in favor of proposed solution

Appendix – Education Materials

- An estimate of the load contribution of a retail or wholesale load to the RTO summer peak
- Used to develop the capacity obligation of the load
- Determined by the host EDC, using methods that were approved by state regulators
- In general, PLCs are based on the load at the time of the five highest RTO daily peaks of the summer
- The average share across the 5CPs is then applied to the zone's weather-normalized RTO-coincident peak for the summer to derive the PLC
- The weather-normalized coincident peak is determined by PJM and serves as the total load that the EDC must allocate across all load in the zone

- Load's contribution to a zone's metered annual peak load, as estimated by the zone's EDC – the single highest transmission peak load
- Determined by the host EDC, using methods that were approved by state regulators

- PJM uses PLC in downstream settlements calculations
 - Locational Reliability Charges
 - Capacity Transfer Rights
 - Schedule 9-5, 9-6 Charges
- Allocation of credits associated with RPM Penalties:
 - Capacity Resource Deficiency Credits
 - Generation/Load Management Rating Test Failure Credits
 - PSM/QTU/PHPA Compliance Penalty Credits

- PJM uses NSPL in downstream settlements calculations:
 - Network Integration Transmission Service Charges
 - Auction Revenue Rights Credits
 - Firm Point-to-Point Transmission Service Credits (ComEd, AEP, DOM zones)
 - Non-Firm Point-to-Point Transmission Service Credits
 - Reactive Supply and Voltage Control Charges
 - Black Start Service Charges
 - Generation Deactivation Charges
 - Transmission Enhancement Charges and Credits
 - Incremental Capacity Transfer Rights Credits
 - RTO Start-up Cost Recovery Charges
 - Expansion Cost Recovery Charges