

PJM Manual 27:

Open Access Transmission Tariff Accounting

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Market Settlements Development Department

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Approval

Approval

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Current Revision

Revision 95 (7/03/2023)

- Conforming changes associated with ER22-2110-000 (Interconnection Process Reform)
- Section 1.1: clarified planning studies conducted by PJM.

Introduction

Welcome to the ***PJM Manual for Open Access Transmission Tariff Accounting***. In this Introduction, you will find the following information:

- What you can expect from the PJM Manuals (see “About PJM Manuals”).
- What you can expect from this PJM Manual (see “About This Manual”).
- How to use this manual (see “Using This Manual”).

About PJM Manuals

The PJM Manuals are the instructions, rules, procedures, and guidelines established by the PJM for the operation, planning, and accounting requirements of PJM and the PJM Energy Market. The manuals are grouped under the following categories:

- Transmission
- PJM Energy Market
- Generation and transmission interconnection
- Reserve
- Accounting and Billing
- PJM administrative services
- Miscellaneous

For a complete list of all PJM manuals, go to the Library section on PJM.com.

About This Manual

The ***PJM Manual for Open Access Transmission Tariff Accounting*** is one of a series of manuals within the Accounting and Billing group. This manual focuses on the accounting for transmission services within the PJM Open Access Transmission Tariff.

The ***PJM Manual for Open Access Transmission Tariff Accounting*** consists of nine sections. These sections are listed in the table of contents beginning on page ii.

Intended Audience

The intended audiences for the PJM Manual for Open Access Transmission Tariff Accounting are:

- PJM Members
- External auditors, lawyers, and regulators

- PJM accounting staff and auditing staff

References

The References to other documents that provide background or additional detail directly related to the *PJM Manual for Open Access Transmission Tariff Accounting* are:

- Operating Agreement of PJM Interconnection, L.L.C.
- Transmission Owners Agreements
- PJM Manual for [Operating Agreement Accounting \(M-28\)](#)
- PJM Manual for [Billing \(M-29\)](#)
- PJM Manual for [Balancing Operations \(M-12\)](#)
- PJM Manual for [Transmission Operations \(M-3\)](#)

Using This Manual

We believe that explaining concepts is just as important as presenting procedures. This philosophy is reflected in the way we organize the material in this manual. We start each section with an overview. Then we present details, procedures or references to procedures found in other PJM manuals. The following provides an orientation to the manual's structure.

What You Will Find In This Manual

- A table of contents that lists two levels of subheadings within each of the sections
- An approval page that lists the required approvals and a brief outline of the current revision
- Sections containing the specific guidelines, requirements, or procedures including PJM actions and PJM Member actions
- A section at the end detailing all previous revisions of this PJM Manual

• **Note:**

Prior to the Transition Date, the Interconnection Service Agreement (ISA) was the form agreement included in the Tariff used to facilitate interconnection to PJM's transmission system, which used term "Interconnection Customer" to refer to generation interconnection customers, similar to the Project Developer. While the ISA is no longer used for interconnection to the transmission system, pre-existing ISAs remain active. On and after the Transition Date, the Generation Interconnection Agreement (GIA) is used as the form agreement included in the Tariff to facilitate interconnection to PJM's transmission system.

The Tariff defines the Transition Date as the later of: (i) the effective date of PJM's Docket No. ER22-2110 transition cycle filing seeking FERC acceptance of Tariff, Part VII (which is January 3, 2023) or (ii) the date by which all AD2 and prior queue window Interconnection Service Agreements or wholesale market participation agreements have been executed or filed unexecuted. Because this second condition happened last, this date establishes the Transition Date.

Section 1: Tariff Accounting Overview

Welcome to the *Tariff Accounting Overview* section of the ***PJM Manual for Open Access Transmission Tariff Accounting***. In this section, you will find the following information:

- A general description of the PJM Open Access Transmission Tariff (see “*Open Access Transmission Tariff Overview*”).
- A description of the PJM Open Access Transmission Tariff accounting services (see “*Tariff Accounting Services*”).

1.1 Open Access Transmission Tariff Overview

To be compliant with the FERC Order 888, the Transmission Owners (TO) in PJM filed with the FERC an open access transmission service tariff, called the PJM Open Access Transmission Tariff. Transmission open access provides the ability to make use of existing transmission facilities that are owned by others, in this case the TOs, in order to deliver power to customers. Transmission Service is the reservation to transport power from one point to another and all of the ancillary services that are necessary to make the transport of power possible.

The PJM TOs' transmission facilities are operated with free-flowing transmission ties. The PJM manages the operation of these facilities, in accordance with the PJM Operating Agreement.

1.1.1 PJM

PJM operates the Transmission System that is used to provide Transmission Service. Transmission services include Point-To-Point Transmission Service (long-term and short-term firm and non-firm) and Network Integration Transmission Service. In carrying out this responsibility, PJM performs the following functions:

- Acts as transmission provider and system operator for the PJM Region
- Maintains the OASIS
- Receives and acts on applications for transmission service
- Conducts System Impact Studies. PJM also conducts Facilities Studies during the Phase II and Phase III System Impact Studies.
- Schedules transactions
- Directs redispatch, curtailment, and interruptions
- Accounts for, collects, and disburses transmission revenues

1.1.2 Transmission Owners

Each TO in PJM is a signatory to the PJM Open Access Transmission Tariff. They collectively have delegated the responsibility to administer the PJM Open Access Tariff to PJM. Each TO has the responsibility to design or install transmission facilities to satisfy requests for Transmission Service under the tariff.

1.1.3 Transmission Customers

There are two types of Transmission Customers for whom PJM Open Access Transmission Tariff charges are determined:

- Point-to-Point Transmission Customers - entities receiving Transmission Service pursuant to the terms of the Transmission Provider's Point-to-Point Transmission Service.
- Network Customers - entities receiving Transmission Service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service.

1.2 Tariff Accounting Services

There are several transmission-related services for which the PJM calculates charges and credits for the monthly and weekly billing statements. (See the [*PJM Manual for Billing \(M-29\)*](#) for more information.)

The PJM accounts for the following types of transmission service:

- Network Integration Transmission Service - Transmission Service provided pursuant to the rates, terms, and conditions set forth in the Tariff.

- Firm Point-to-Point Transmission Service - Transmission Service that is reserved and/or scheduled between specified Points of Receipt(s) and Point(s) of Delivery. The minimum term is one day and the maximum term is specified in the Service Agreement.
- Non-Firm Point-to-Point Transmission Service - Transmission Service that is reserved and scheduled on an as-available basis and is subject to curtailment or interruption. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

PJM accounts for the following Ancillary Services, which PJM is required to provide and Transmission Customers are required to purchase:

- Scheduling, System Control and Dispatch - scheduling and administering the movement of power through, out of, or within PJM.
- Reactive Supply and Voltage Control from Generation Sources - operating generating facilities to produce reactive power to maintain transmission voltages within acceptable limits.

In addition to the services listed above, the following Ancillary Services, which PJM is required to provide to Transmission Customers that serve load within PJM, are also accounted for by PJM:

- Regulation and Frequency Response - committing on-line generation whose output is raised or lowered as necessary to follow the moment-to-moment changes in load.
- Operating Reserves - the amount of generating capacity actually operated for specified periods of an Operating Day to ensure the reliable operation of PJM.
- Energy Imbalance - provided when a difference occurs between the scheduled and actual delivery of energy to a load.
- Black Start Service - the capability of generating units to start without an outside electrical supply or the demonstrated ability of a generating unit with a high operating factor to automatically remain operating at reduced levels when disconnected from the grid.
- The regulation and frequency response service, energy imbalance service (for network customers), and operating reserves - spinning and supplemental services are billed through the Operating Agreement and, therefore, are not covered in this manual. (See the [*PJM Manual for Operating Agreement Accounting \(M-28\)*](#) for more details.)
- PJM also accounts for the following charges/credits: Expansion Cost, RTO Start-up Cost Recovery, and FERC/OPSI/CAPS/NERC/RFC/MMU/AC2/PJMSettlement fees.
- Accounting Input Data.

After-the-fact, PJM collects information regarding actual operations which is recorded by PJM dispatchers or automated systems. The tariff accounting processes use this information as input data. Other accounting input data is provided from various systems and databases. This information includes basic data describing scheduling information for Transmission Customers' transactions, and Transmission System parameters. The tariff accounting process uses this information as described in the other sections of this manual.

