



# **SPECIAL MRC SESSION**

## **Problem Statement On Transmission, Capacity, and Energy Obligation Calculations**

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# STATUS QUO

- **Hodgepodge of provisions in tariffs, manuals, and operating guides, and on EDC websites, regarding obligation calculations**
- **These calculations determine the quantity of transmission, capacity, and energy for which LSEs will be charged by PJM**
- **Because these calculations determine the quantity for which LSEs will be charged, the calculations directly affect the rates, terms, and conditions of FERC-jurisdictional service**

# STATUS QUO

- **All provisions that materially impact the calculations should be included in tariff provisions that are reviewed and accepted by FERC**
- **Some transmission owners appear to have recognized this, and have filed their approaches with FERC and they are included as Attachments M-1 and M-2 to the PJM Tariff**
- **Others have not**

# PROBLEMS PRESENTED BY STATUS QUO

- **PJMICC is NOT aiming to undo any existing Attachment M-1s or M-2s**
- **Problem lies with transmission owners that have NOT filed any Attachment M-1 and M -2:**
  - Lack of clarity over which provisions apply
  - Lack of specificity about how calculations are performed
  - Lack of transparency in calculations
  - Lack of accountability in the performance of the calculations
  - Lack of consistency in the regulatory approach for these calculations from zone to zone
- **Problems are especially acute in transmission owner zones where retail access exists (in whole or in part)**

# POTENTIAL SOLUTIONS – WHAT PJM ICC IS NOT INTENDING TO CHANGE

- PJM ICC is not interested in changing the 5 CP approach that is generally used to calculate capacity obligations
- PJM ICC is not interested in changing the 1 CP (regional or zonal) approach that many transmission owners appear to be using to calculate transmission obligations

# **POTENTIAL SOLUTIONS – WHAT PJMICC IS NOT INTENDING TO CHANGE**

- **PJMICC not interested in using this forum to change deadlines for submission of hourly energy data for calculating energy and BOR charges**
- **PJMICC not wedded to any particular solution, but solution must achieve TRANSPARENCY and ACCOUNTABILITY**

# POTENTIAL SOLUTIONS - OPTIONS

- **Option 1: Any transmission owner that does not have an Attachment M-1 and M-2 on file with FERC should make such a filing in the next 60-90 days**
  - Cannot merely reference rules that are on websites that transmission owners may change on their own at any time
  - Need to include sufficient detail to determine the quantity for which the LSE will be responsible

# POTENTIAL SOLUTIONS - OPTIONS

- **Option 2: PJM files default rules that would be included in the PJM Tariff and would apply to all zones for which an Attachment M-1 and M-2 is not on file**
  - Default rules would apply unless and until individual PJM transmission owner files an Attachment M-1 and M-2
- **PJMICC open to exploring other options, as long as solution achieves TRANSPARENCY and ACCOUNTABILITY**