



Settlement of Emergency Load Response and Emergency Energy Billing

Market Settlements Subcommittee
September 22, 2014



Settlement of Emergency Load Response and Emergency Energy

The poll results identified a large majority of respondents (93%) were in favor of the proposed changes below:

- Emergency Energy Charges/Credits:
 - Recalculate participants' real-time net interchange to consider Load Reconciliation data
 - Adjust original charge/credit allocation using recalculated interchange 2 months after original billing
 - Load Reconciliation would change the net purchases/net sales and therefore impact all participants
- Emergency Load Response Charges:
 - Calculate participants' real-time net interchange to consider Load Reconciliation data
 - No impact to existing bill timing



- Manual 28, Section 10.2 Emergency Energy Purchases by PJM

“PJM allocates the total hourly charge for Emergency energy purchases to PJM Market Participants in proportion to their real-time deviation including the impact of load reconciliation MWh from their net interchange in the day-ahead market, whenever that deviation increases their spot market purchases or decreases their spot market sales”

- Manual 28, Section 10.3 Emergency Energy Sales by PJM

“PJM allocates the total hourly credit for Emergency energy sales among PJM Market Participants in proportion to their real-time deviation including the impact of load reconciliation MWh from their net interchange in the day-ahead market, whenever that deviation increases their spot market purchases or decreases their spot market sales, plus any energy sales from within PJM to entities outside of PJM that have been curtailed by PJM during the Emergency.”



- Manual 28, Section 10.4 Minimum Generation Emergency Purchases by PJM
“PJM allocates the total hourly charge for Minimum Generation Emergency purchases to PJM Market Participants in proportion to their real-time deviation including the impact of load reconciliation MWh from the net interchange in the day-ahead market, whenever that deviation decreases their spot market purchases or increases their spot market sales.”
- Manual 28, Section 10.5 Minimum Generation Emergency Sales by PJM
“PJM allocates the total hourly credit for Minimum Generation Emergency energy sales among PJM Market Participants in proportion to their real-time deviation including the impact of load reconciliation MWh from their net interchange in the day-ahead market, whenever that deviation decreases their spot market purchases or increases their spot market sales.”

- Manual 28, Section 11.2.1 Full Emergency and Emergency Energy Only Load Response Program

“During Emergency conditions, costs for Emergency purchases in excess of LMP are allocated to PJM Market Participants in proportion to their increase in net purchases from the PJM energy market during the hour in the real-time market compared to the day-ahead market. Consistent with this pricing methodology, all energy charges under the Full Emergency, Full Pre-Emergency, and Emergency Energy Only Load Response Program are allocated to PJM Market Participants in proportion to their real-time deviation including the impact of load reconciliation MWh from their net interchange in the day-ahead market, whenever that deviation increases their spot market purchases or decreases their spot market sales less any real-time dispatch reduction MWs.”

- Bring red-lined Manual 28 revisions to October MIC and MRC for first read
 - Seek endorsement at November MIC and MRC
- Suggested effective date of changes:
 - Operating day of January 1, 2015
 - Settlement changes would be reflected in the March 2015 bill for any Emergency Energy or Emergency Load Response events in January