

Market Path/Interface Pricing Point Alignment

MIC

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Interface Pricing

- **Transactions can be scheduled to an interface based on a contract transmission path.**
- **Pricing points are developed and applied based on the electrical impact of the external power source on PJM tie lines, regardless of contract transmission path.**

Interface Pricing

- **PJM establishes prices for transactions with external balancing authorities by assigning interface pricing points to individual balancing authorities based on the Generation Control Area (source) and Load Control Area (sink) as specified on the NERC Tag.**

Interface Pricing

- **The current approach will correctly identify the interface pricing point only if the market participant provides the complete path in the NERC Tag.**
- **The current approach will not correctly identify the interface pricing point if market participants submit external energy schedules that are inconsistent with the actual power flow and that result in energy settlements that are inconsistent with the actual power flow.**

Interface Pricing

- **Scheduling energy inconsistent with power flows creates harmful market inefficiencies, regardless of intent.**
- **Intentionally scheduling energy inconsistent with power flows can constitute prohibited market manipulation.**

Proposed Solution

- **Explicitly ban scheduling on identified paths/combination of paths.**
 - **Combination of paths are determined on a parent company level and scheduled in the same settlement interval.**
 - **Additional paths/combinations of paths can be added as necessary based on observed scheduling behavior.**

Proposed Solution

- **Implement after the fact adjustments to settle interchange transactions at the interface price consistent with expected actual flows.**
- **Financial adjustments may be positive or negative.**

Proposed Solution

- **Scheduling on banned paths can be cause for referral.**
- **A monthly report will be sent to FERC showing all schedules transacted on banned paths.**

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Banned Paths/Combinations

Number	Banned Path / Path Combination			Current PJM Settlement		Expected Actual Flow		Revised PJM Settlement	
1	NYIS-ONT-MISO-PJM			PJM/NYIS		NYIS-PJM	PJM/NYIS		
2	NYIS-ONT	ONT-MISO-PJM		-	PJM/ONT	NYIS-PJM	-	PJM/NYIS	
3	NYIS-ONT-MISO	MISO-PJM		-	PJM/MISO	NYIS-PJM	-	PJM/NYIS	
4	NYIS-ONT	ONT-MISO	MISO-PJM	-	-	NYIS-PJM	-	-	PJM/NYIS
5	ONT-MISO-PJM-NYIS			PJM/NYIS-PJM/MISO		ONT-NYIS	PJM/NYIS-PJM/NYIS		
6	ONT-MISO	MISO-PJM-NYIS		-	PJM/NYIS-PJM/MISO	ONT-NYIS	-	PJM/NYIS-PJM/NYIS	
7	ONT-MISO-PJM	PJM-NYIS		PJM/ONT	PJM/NYIS	ONT-NYIS	PJM/NYIS	PJM/NYIS	
8	ONT-MISO	MISO-PJM	PJM-NYIS	-	PJM/MISO	ONT-NYIS	-	PJM/NYIS	PJM/NYIS
9	MISO-PJM-NYIS-ONT			PJM/NYIS-PJM/MISO		MISO-ONT	PJM/NYIS-PJM/NYIS		
10	MISO-PJM	PJM-NYIS-ONT		PJM/MISO	PJM/NYIS	MISO-ONT	PJM/NYIS	PJM/NYIS	
11	MISO-PJM-NYIS	NYIS-ONT		PJM/NYIS-PJM/MISO	-	MISO-ONT	PJM/NYIS-PJM/NYIS	-	
12	MISO-PJM	PJM-NYIS	NYIS-ONT	PJM-MISO	PJM/NYIS	MISO-ONT	PJM/NYIS	PJM/NYIS	-
13	PJM-NYIS-ONT-MISO			PJM-NYIS		PJM-MISO	PJM-MISO		
14	PJM-NYIS	NYIS-ONT-MISO		PJM-NYIS	-	PJM-MISO	PJM-MISO	-	
15	PJM-NYIS-ONT	ONT-MISO		PJM-NYIS	-	PJM-MISO	PJM-MISO	-	
16	PJM-NYIS	NYIS-ONT	ONT-MISO	PJM-NYIS	-	PJM-MISO	PJM-MISO	-	-
17	NYIS-PJM-MISO-ONT			PJM/MISO-PJM-NYIS		NYIS-ONT	PJM/MISO-PJM/MISO		
18	NYIS-PJM	PJM-MISO-ONT		PJM/NYIS	PJM/MISO	NYIS-ONT	PJM/MISO	PJM/MISO	
19	NYIS-PJM-MISO	MISO-ONT		PJM/MISO-PJM-NYIS	-	NYIS-ONT	PJM/MISO-PJM/MISO	-	
20	NYIS-PJM	PJM-MISO	MISO-ONT	PJM-NYIS	PJM-MISO	NYIS-ONT	PJM/MISO	PJM/MISO	-
21	PJM-MISO-ONT-NYIS			PJM/MISO		PJM-NYIS	PJM/NYIS		
22	PJM-MISO	MISO-ONT-NYIS		PJM/MISO	-	PJM-NYIS	PJM/NYIS	-	
23	PJM-MISO-ONT	ONT-NYIS		PJM-MISO	-	PJM-NYIS	PJM/NYIS	-	
24	PJM-MISO	MISO-ONT	ONT-NYIS	PJM/MISO	-	PJM-NYIS	PJM/NYIS	-	-
25	MISO-ONT-NYIS-PJM			PJM/NYIS		MISO-PJM	PJM/MISO		
26	MISO-ONT	ONT-NYIS-PJM		-	PJM/NYIS	MISO-PJM	-	PJM/MISO	
27	MISO-ONT-NYIS	NYIS-PJM		-	PJM/NYIS	MISO-PJM	-	PJM/MISO	
28	MISO-ONT	ONT-NYIS	NYIS-PJM	-	-	MISO-PJM	-	-	PJM/MISO
29	ONT-NYIS-PJM-MISO			PJM/MISO-PJM-NYIS		ONT-MISO	PJM/MISO-PJM/MISO		
30	ONT-NYIS	NYIS-PJM-MISO		-	PJM/MISO-PJM/NYIS	ONT-MISO	-	PJM/MISO-PJM/MISO	
31	ONT-NYIS-PJM	PJM-MISO		PJM/NYIS	PJM/MISO	ONT-MISO	PJM/MISO	PJM/MISO	
32	ONT-NYIS	NYIS-PJM	PJM-MISO	-	PJM/NYIS	PJM/MISO	ONT-MISO	PJM/MISO	PJM/MISO



Banned Paths/Combinations (Cont'd)

33	ONT-MISO-PJM	PJM-MISO		PJM/ONT	PJM/MISO		ONT-MISO	PJM/MISO	PJM/MISO	
34	MISO-PJM-NYIS	NYIS-PJM		PJM/NYIS-PJM/MISO	PJM/NYIS		MISO-PJM	PJM/NYIS-PJM/MISO	PJM/NYIS	
35	PJM-NYIS-ONT	ONT-NYIS		PJM/ONT	-		PJM-NYIS	PJM/NYIS	-	
36	ONT-NYIS-PJM	PJM-NYIS		PJM/ONT	PJM/NYIS		ONT-NYIS	PJM/NYIS	PJM/NYIS	
37	NYIS-PJM-MISO	MISO-PJM		PJM/MISO-PJM-NYIS	PJM/MISO		NY-PJM	PJM/MISO-PJM-NYIS	PJM/MISO	
38	PJM-MISO-ONT	ONT-MISO		PJM/ONT	-		PJM-MISO	PJM/MISO	-	
39	ONT-MISO-PJM	MISO-ONT		PJM/ONT	-		MISO-PJM	PJM/MISO	-	
40	MISO-PJM-NYIS	PJM-MISO		PJM/NYIS-PJM/MISO	PJM/MISO		PJM-NYIS	PJM/NYIS-PJM/MISO	PJM/MISO	
41	PJM-NYIS-ONT	NYIS-PJM		PJM/ONT	PJM/NYIS		NY-ONT	PJM/NYIS	PJM/NYIS	
42	ONT-NYIS-PJM	NYIS-ONT		PJM/ONT	-		NY-PJM	PJM/NYIS	-	
43	NYIS-PJM-MISO	PJM-NYIS		PJM/MISO-PJM-NYIS	PJM/NYIS		PJM-MISO	PJM/MISO-PJM-NYIS	PJM/NYIS	
44	PJM-MISO-ONT	MISO-PJM		PJM/ONT	PJM/MISO		MISO-ONT	PJM/MISO	PJM/MISO	
45	HQT-ONT-MISO-PJM	PJM-MISO		PJM/ONT	PJM/MISO		HQT-ONT-MISO	PJM/MISO	PJM/MISO	
46	PJM-NYIS-ONT-HQT	ONT-NYIS		PJM/ONT	-		PJM-NYIS and ONT-HQT	PJM/NYIS	-	
47	PJM-NYIS-ONT-HQT	HQT-ONT-NYIS		PJM/ONT	-		PJM-NYIS	PJM/NYIS	-	
48	PJM-NYIS-ONT	HQT-ONT-NYIS		PJM/ONT	-		PJM-NYIS and HQT-ONT	PJM/NYIS	-	
49	HQT-ONT-NYIS-PJM	PJM-NYIS		PJM/ONT	PJM/NYIS		HQT-ONT-NYIS	PJM/NYIS	PJM/NYIS	
50	PJM-MISO-ONT-HQT	ONT-MISO		PJM/ONT	-		PJM-MISO and ONT-HQT	PJM/MISO	-	
51	PJM-MISO-ONT-HQT	HQT-ONT-MISO		PJM/ONT	-		PJM-MISO	PJM/MISO	-	
52	HQT-ONT-MISO-PJM	MISO-ONT		PJM/ONT	-		HQT-ONT and MISO-PJM	PJM/MISO	-	
53	HQT-ONT-MISO-PJM	MISO-ONT-HQT		PJM/ONT	-		MISO-PJM	PJM/MISO	-	
54	PJM-NYIS-ONT-HQT	HQT-NYIS-PJM		PJM/ONT	PJM/NYIS		ONT-HQT and HQT-NYIS	PJM/NYIS	PJM/NYIS	
55	PJM-NYIS-ONT-HQT	NYIS-PJM		PJM/ONT	PJM/NYIS		NY-ONT-HQT	PJM/NYIS	PJM/NYIS	
56	PJM-NYIS-ONT	HQT-NYIS-PJM		PJM/ONT	PJM/NYIS		HQT-NY-ONT	PJM/NYIS	PJM/NYIS	
57	HQT-ONT-NYIS-PJM	NYIS-ONT		PJM/ONT	-		HQT-ONT and NY-PJM	PJM/NYIS	-	
58	HQT-ONT-NYIS-PJM	NYIS-ONT-HQT		PJM/ONT	-		NY-PJM	PJM/NYIS	-	
59	ONT-NYIS-PJM	NYIS-ONT-HQT		PJM/ONT	-		ONT-HQT and NY-PJM	PJM/NYIS	-	
60	HQT-NYIS-PJM-MISO	PJM-NYIS		PJM/MISO-PJM-NYIS	PJM/NYIS		HQT-NYIS and PJM-MISO	PJM/MISO-PJM-NYIS	PJM/NYIS	
61	HQT-NYIS-PJM-MISO	PJM-NYIS-HQT		PJM/MISO-PJM-NYIS	PJM/NYIS		PJM-MISO	PJM/MISO-PJM-NYIS	PJM/NYIS	
62	NYIS-PJM-MISO	PJM-NYIS-HQT		PJM/MISO-PJM-NYIS	PJM/NYIS		PJM-MISO and NYIS-HQT	PJM/MISO-PJM-NYIS	PJM/NYIS	
63	PJM-MISO-ONT-HQT	MISO-PJM		PJM/ONT	PJM/MISO		MISO-ONT-HQT	PJM/MISO	PJM/MISO	

