

# PJM Compliance Bulletin

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## *NERC Standard MOD-030-02: Existing Transmission Commitments (ETC) Calculations*

### **Purpose**

The purpose of this bulletin is to document PJM's inclusion of "accepted" OASIS reservations when calculating Existing Transmission Commitments (ETC), and to clarify PJM's basis of compliance with MOD-030-02. ETC is a component of the calculation of Available Flowgate Capability (AFC), which is used to demonstrate system transfer capability.

### **Standard**

NERC standard MOD-030-02 was approved by FERC on November 24, 2009. The standard specifies that "confirmed" reservations be included in the ETC calculation (MOD-030-02, R6.3 and R6.4 for firm commitments, and R7.1 and R7.2 for non-firm commitments). The standard does not preclude the addition of other factors in this calculation, and does allow for the inclusion of other services under R6.7 and R7.7.

### **PJM Current Practices**

The PJM process for reserving transmission capacity consists of three steps: first, a transmission customer must request a reservation through the OASIS (Open Access Same-Time Information System); second, the Transmission Service Provider must then accept or reject this reservation request, and lastly, the transmission customer must "confirm" accepted reservations.

Among other factors, PJM includes "accepted" reservations in the calculation of ETC, the state prior to the reservation being confirmed by the transmission customer. This long standing practice is compliant with NAESB (North American Energy Standards Board) standard WEQ 001, titled "Business Practices for Open Access Same-Time Information Systems (OASIS)."

### **PJM's Basis for Compliance**

PJM has determined that inclusion of accepted reservations in the ETC calculation is appropriate and in compliance with standard MOD-030-02.

MOD-030-02 allows factors not explicitly required, to be included in the calculation of ETC.

Requirements 6.7 and 7.7 (regarding "firm" and "non-firm" services, respectively) both clearly allow for the inclusion of "other...services determined by the Transmission Service Provider." PJM considers accepted reservations to be an appropriate addition to the calculation, and has

determined that the outcome is more conservative and indicative of real time conditions than the ETC calculations detailed in R6 and R7; an ETC value that does not reflect accepted reservations would tend to give the impression that transmission capacity availability is greater than what it actually is, potentially leading to the over-subscription of service. In terms of overseeing reliable transmission service, PJM has reviewed the risk of overstating reserved capacity and has determined that it is less than the implications of overselling transmission capacity due to overstated availability.

## Document Retention

All evidence of compliance shall be retained in accordance with the document retention requirement as stated in the applicable NERC or Regional Reliability Standard. If there is no specific data retention requirement, the data will be retained for four years.

## Development History

Revision: 1	Date: 01/11/2011
Author:	Brad Hofferkamp, Senior Analyst NERC & Regional Coordination
Reviewers:	Chris Advena, Manager Tariff Integration  Patrick Brown, Manager NERC and Regional Coordination
Approver:	Tom Bowe, Executive Director Reliability Integration Division
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Revision: 0	Date: 05/17/2010
Author:	Brad Hofferkamp, Senior Analyst NERC & Regional Coordination
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