

PJM Compliance Bulletin

MOD-001-1a — Available Transmission System Capability

MOD-004-1- Capacity Benefit Margin

MOD-008-1 — Transmission Reliability Margin

General

PJM is issuing this compliance bulletin in advance of the April 1, 2011 mandatory implementation date of MOD-001-1a, MOD-004-1, and MOD-008-1. This bulletin clarifies actions required of Load Serving Entities (LSEs) to provide information to PJM specified in MOD-004-1 and actions required of the Transmission Operators (TOPs) specified by MOD-001-1a and MOD-008-1. This document is being provided at the request of the PJM Reliability Standards & Compliance Subcommittee (RSCS), and is for informational purposes only; no action is required.

PJM fulfills the obligations of the current standards as well as other standards that will be impacted by the mandatory implementation of the standards mentioned above. PJM will meet the obligations of these standards without any additional information or action required of the PJM members.

Background

As the Resource Planner, Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Service Provider, PJM currently fulfills the requirements in MOD-004-0, MOD-005-0, MOD-006-0, and MOD-007-0. PJM will continue to fulfill these obligations on behalf of PJM members when MOD-004-1 becomes mandatory on April 1, 2011.

The following standards will be retired upon MOD-004-1 becoming mandatory:

- MOD-005-0- Procedure for Verifying CBM Values
- MOD-006-0- Procedures for the Use of Capacity Benefit Margin Values
- MOD-007-0- Documentation of the Use of Capacity Benefit Margin

At the July 15, 2010 RSCS meeting the committee discussed several requirements of the revised MOD -004-1 standard that contain language referring to an LSE. Specifically;

R3. Each Load-Serving Entity determining the need for Transmission capacity to be set aside as CBM for imports into a Balancing Authority Area shall determine that need by:

R3.1. Using one or more of the following to determine the GCIR:

- Loss of Load Expectation (LOLE) studies
- Loss of Load Probability (LOLP) studies
- Deterministic risk-analysis studies
- Reserve margin or resource adequacy requirements established by other entities, such as municipalities, state commissions, regional transmission organizations, independent system operators, Regional Reliability Organizations, or regional entities

R4. Each Resource Planner determining the need for Transmission capacity to be set aside as CBM for imports into a Balancing Authority Area shall determine that need by:

R4.1. Using one or more of the following to determine the GCIR:

- Loss of Load Expectation (LOLE) studies
- Loss of Load Probability (LOLP) studies
- Deterministic risk-analysis studies
- Reserve margin or resource adequacy requirements established by other entities, such as municipalities, state commissions, regional transmission organizations, independent system operators, Regional Reliability Organizations, or regional entities

R10. The Load-Serving Entity or Balancing Authority shall request to import energy over firm Transfer Capability set aside as CBM only when experiencing a declared NERC Energy Emergency Alert (EEA) 2 or higher.

In compliance with R3 and R4, PJM determines the Transmission capacity set aside as CBM for import into the PJM Balancing Authority Area. PJM performs this task under the auspices of the FERC approved Reliability Assurance Agreement (RAA) as required by R4. (RAA Agreement: <http://www.pjm.com/documents/agreements/~media/documents/agreements/raa-614.ashx>)

PJM, as the cognizant Reliability Coordinator and Balancing Authority, is the only entity which will declare and implement NERC Energy Emergency Alerts (EEA) or higher.

This bulletin also addresses TOP requirements included in MOD-001-1a and MOD-008-1. These requirements are:

Standard MOD-001-1a — Available Transmission System Capability

“R1 Each Transmission Operator shall select one of the methodologies¹ listed below for calculating Available Transfer Capability (ATC) or Available Flowgate Capability (AFC) for each ATC Path per time period identified in R2 for those Facilities within its Transmission operating area:

- *The Area Interchange Methodology, as described in MOD-028*
- *The Rated System Path Methodology, as described in MOD-029*
- *The Flowgate Methodology, as described in MOD-030*

[Footnote included in NERC standard]All ATC Paths do not have to use the same methodology and no particular ATC Path must use the same methodology for all time periods.”

Standard MOD-008-1 — TRM Calculation Methodology

“R1 Each Transmission Operator shall prepare and keep current a TRM Implementation Document (TRMID) that includes, as a minimum, the following information:

R1.1 Identification of (on each of its respective ATC Paths or Flowgates) each of the following components of uncertainty if used in establishing TRM, and a description of how that component is used to establish a TRM value:

R1.2 The description of the method used to allocate TRM across ATC Paths or Flowgates.

R 1.3 The identification of the TRM calculation used for the following time periods:

R 1.3.1 Same day and real-time.

R 1.3.2 Day-ahead and pre-schedule.

R 1.3.3 Beyond day-ahead and pre-schedule, up to thirteen months ahead.”

PJM, as the TSP, uses the Flowgate Methodology, as described in MOD-030 to calculate the available transmission capability. The TRM used in the process is based on an RTO wide calculation performed by PJM. No other entity within the PJM footprint calculates ATC.

Conclusion

PJM is issuing this document to clarify that, as the TSP, PJM has the full responsibility to comply with the recently approved MOD-001-1a, MOD-004-1, and MOD-008-1 standards. No new information, data or actions of LSEs or TOPs.



Document Retention

All evidence of compliance will be retained in accordance with the applicable NERC or Regional Reliability Standard. Where no specific data retention requirement exists, the data will be retained for four years.

Development History

Revision: 0		Date: 12/22/2010	
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