



# Reliability Pricing Model Settlements

RPM Training – Section G  
February 2012

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**RPM**

	DESC	CSV	XML	HIST	Posting Date
Auction Specific MW Transaction Charges and Credits Report	●	●	●	●	05.06.2010
Capacity Transfer Rights Credit Summary	●	●	●	●	02.28.2007
Deficiency Credit Summary	●	●	●	●	08.17.2009
Demand Resource and ILR Compliance Penalty Charges and Credits	●	●	●	●	08.17.2009
Demand Resource and ILR Compliance Penalty Residual Credit Summary	●	●	●	●	11.01.2007
FRR LSE Reliability Charge Summary	●	●	●	●	04.21.2011
Non-Unit Specific Capacity Transaction Charges and Credits	●	●	●	●	05.06.2010
Incremental Capacity Transfer Rights Credits	●	●	●	●	04.03.2009
Interruptible Load for Reliability Credit Summary	●	●	●	●	02.28.2007
Locational Reliability Charge Summary	●	●	●	●	12.09.2010
Non-Compliance Charge Summary	●	●	●	●	04.28.2009
RPM Auction Charges and Credits	●	●	●	●	02.28.2007
RPM Auction Make-Whole Charge Summary	●	●	●	●	02.28.2007
Load Management Test Failure Charge Summary	●	●	●	●	11.19.2009
<a href="#">Synchronized Reserve</a>					
<a href="#">Transmission Congestion/FTR/ARR</a>					
<a href="#">Transmission Losses</a>					
<a href="#">Transmission Service</a>					
<a href="#">Schedule 9-AMMU Changes - Eff. 2/1/2009</a>					

For additional information, please contact  
 Member Relations at (610) 666-8980 or  
 toll free at (866) 400-8980.

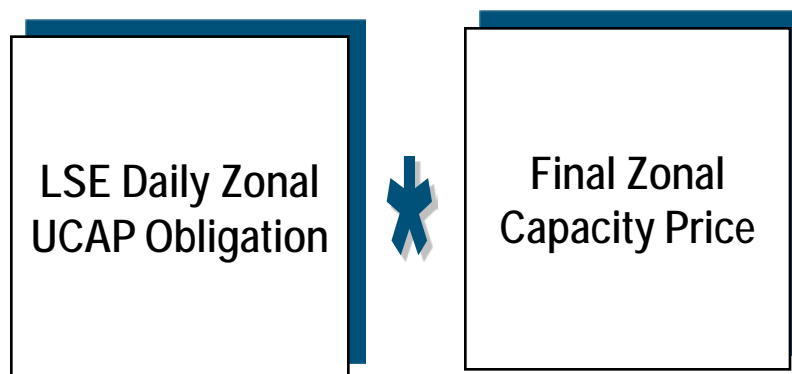
Website Feedback

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Done | Local intranet | Protected Mode: On | 100% | 12:39 PM | Wednesday | 10/19/2011

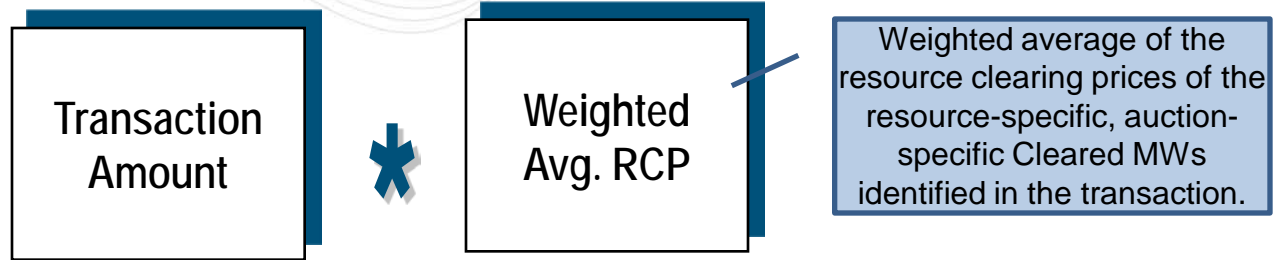
14 billing reports related to RPM are available in Market Settlements Reporting System (MSRS)

## Locational Reliability Charge =

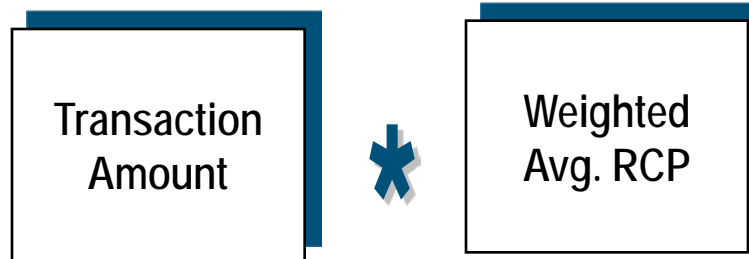


- Each RPM LSE that serves load in a PJM Zone or load outside PJM using PJM resources (i.e., Non-Zone Network Load) during the Delivery Year must pay a Locational Reliability Charge.
- Charges calculated daily and billed weekly during Delivery Year.

Seller of a Auction Specific MW Transaction will receive a  
Charge =



Buyer of a Auction Specific MW Transaction will receive a  
Credit =



Auction Specific MW Transaction Charges/Credits will be calculated daily and billed weekly for the duration of the transaction during the Delivery Year.

Seller of a Buy Bid Transaction will receive a Credit =

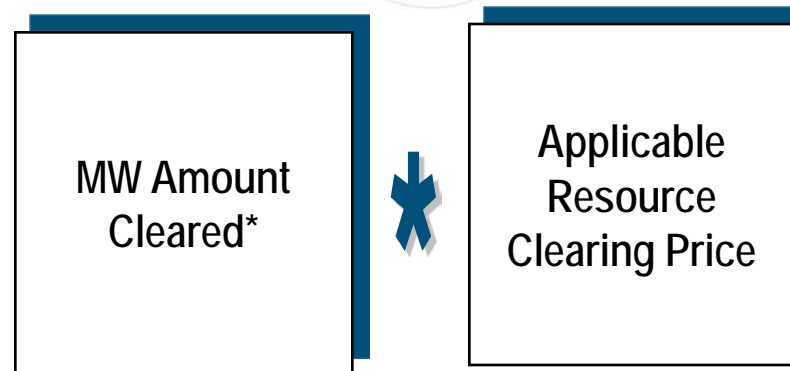


Buyer of a Buy Bid Transaction will receive a Charge =



Buy Bid Transaction Charges/Credits will be calculated daily and billed weekly for the duration of the transaction during the Delivery Year.

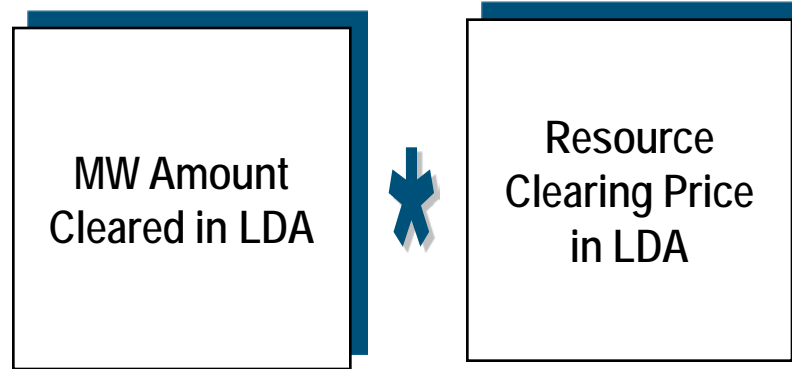
RPM Auction Credit =



- If cleared Sell Offer in an RPM Auction, Market Seller will receive an Auction Credit.
- Credits calculated daily and billed weekly during the Delivery Year.

***\*MW Amount Cleared will be adjusted for Unit Specific Bilaterals for Cleared MW***

RPM Auction Charge =



- If cleared Buy Bid in a Scheduled Incremental Auction, Market Buyer will receive an Auction Charge (i.e., Resource Substitution Charge)
- Charges calculated daily and billed weekly during the Delivery Year.

## Make Whole Credit =

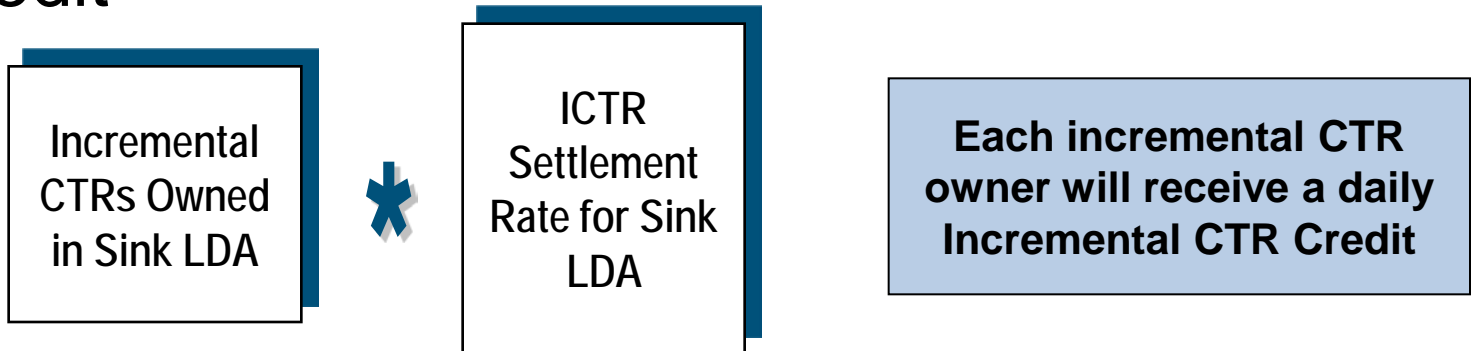


- Resource Make-whole Credit is paid to the marginal resource in an RPM Auction as appropriate to ensure that Market Seller is paid the sell offer MW times the sell offer price.
- Make-whole Credits are charged to LSEs through Final Zonal Capacity Price or to buyers of replacement capacity in an Incremental Auction (pro-rata allocation based on MWs cleared in buy bid)
- Credits calculated daily and billed weekly during the Delivery Year.

## Zonal CTR Credit =



## ICTR Credit =



Both credits will be calculated daily and billed weekly during the Delivery Year.

Charge	Rate	MW Amount	Assessed	Billed	Allocated
<b>Capacity Resource Deficiency Charge</b>	Daily Deficiency Rate = Party's WARCP for such resource + higher of (.2 * Party's WARCP for such resource OR \$20/MW-day)	MW Amount of Shortage	Daily	Weekly during DY	Pro-rata basis to those LSEs who were charged Daily Locational Reliability Charge based on their Daily UCAP Obligation
<b>Qualifying Transmission Upgrade Delay Penalty</b>	QTU Delay Penalty Rate = higher of (1) 2 * Locational Price Adder of LDA into which QTU is cleared or (2) Net CONE less the RCP in LDA from which QTU is provided	Cleared MW Amount of Incremental Import Capability Not Delivered	Daily	Weekly during DY	Pro-rata basis to those LSEs who were charged Daily Locational Reliability Charge based on their Daily UCAP Obligation
<b>Peak-Hour Period Availability Charge</b>	Daily Peak-Hour Period Availability Charge Rate = Provider's Weighted Average RCP in LDA	Net Peak Period Capacity Shortfall for RPM Resource Commitments in LDA	Daily	Retroactively for entire DY in August bill (issued in September) after conclusion of DY	Resource providers that have negative Net Peak Period Capacity Shortfalls (capped at excess shortfall * Daily Peak-Hour Availability Charge Rate). Remaining Charges to LSEs based on their Daily UCAP Obligation
	Daily Peak-Hour Period Availability Charge Rate = weighted average of resource clearing prices across all RPM Auctions for the LDA encompassing zone of FRR Entity, weighted by quantities cleared in RPM Auctions.	Net Peak Period Capacity Shortfall for FRR Capacity Plan Commitments in LDA			

$$\text{Charge} = \text{Rate} * \text{MW Amount}$$

Charge	Rate	MW Amount	Assessed	Billed	Allocated
<b>Generation Resource Rating Test Failure Charge</b>	Daily Deficiency Rate = Party's WARCP for such resource + higher of (.2 * Party's WARCP for such resource OR \$20/MW-day	Daily ICAP Shortfall for RPM Resource Commitments * (1-Effective EFORD)	Daily	Retroactively for entire DY in June bill (issued in July) after conclusion of DY	Pro-rata basis to those LSEs who were charged Daily Locational Reliability Charge based on their Daily UCAP Obligation
	Daily Deficiency Rate = 1.2 * weighted average of resource clearing prices across all RPM Auctions for the LDA encompassing zone of FRR Entity, weighted by quantities cleared in RPM Auctions.	Daily ICAP Shortfall for FRR Capacity Plan Commitments * (1-Effective EFORD)			
<b>PSM Compliance Penalty Charge</b>	Daily Deficiency Rate = Party's WARCP for such resource + higher of (.2 * Party's WARCP for such resource OR \$20/MW-day	Daily PSM Shortfall for RPM Resource Commitments * (1-Effective EFORD)	Daily	Retroactively for applicable peak season days in June bill (issued in July) after conclusion of DY	Pro-rata basis to those LSEs who were charged Daily Locational Reliability Charge based on their Daily UCAP Obligation
	Daily Deficiency Rate = 1.2 * weighted average of resource clearing prices across all RPM Auctions for the LDA encompassing zone of FRR Entity, weighted by quantities cleared in RPM Auctions.	Daily PSM Shortfall for FRR Capacity Plan Commitments * (1-Effective EFORD)			

***Charge = Rate \* MW Amount***

Charge	Rate	MW Amount	Assessed	Billed	Allocated
<p><b>Load Management Event Compliance Charge</b></p>	<p>LM Event Compliance Penalty Rate* = Lesser of (1/actual # of events during summer period OR 50%) * Party's Weighted Annual Revenue Rate (\$/MW-yr) in such zone</p> <p>If a Party's Weighted Annual Revenue Rate = \$0/MW-day, a PJM Weighted Annual Revenue Rate in such zone will be used.</p> <p>*Rate prior to 2014/2015 DY.</p>	<p>Net Zonal Under-Compliance MW</p>	<p>LM Event basis</p>	<p>Third billing month after the LM event occurs</p>	<p>DR &amp; ILR Resource Providers that over-complied (capped at MW amount of over-compliance * 1/5 Party's Weighted Annual Revenue Rate). Remaining Charges to LSEs based on Average Daily UCAP Obligation during month of LM event.</p>
<p><b>Load Management Test Failure Charge</b></p>	<p>Daily LM Test Failure Charge Rate = Party's Weighted Daily Revenue Rate in zone + Greater of (0.2 * Party's Weighted Daily Revenue Rate in zone OR \$20/MW-day)</p> <p>If a Party's Weighted Annual Revenue Rate = \$0/MW-day, a PJM Weighted Daily Revenue Rate in such zone will be used.</p>	<p>Net Zonal Under-Compliance MW</p>	<p>Daily</p>	<p>Monthly; however, lump sum assessed from start of DY to day charges are first reflected in billing.</p>	<p>Allocated pro-rata to those LSEs charged a Daily Locational Reliability Charge based on their Daily UCAP Obligation.</p>

**$Charge = Rate * MW Amount$**

# Questions?

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