



Proposal for Pro Forma Pseudo-Tie Agreements

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Markets and Reliability Committee
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- Ensures compliance with all NERC and FERC requirements, i.e. no tagging
- Ensures all parties involved know who is responsible for ACE, operational control and re-dispatch
- Will allow for uniformity among the Pseudo-Tie requirements
- Increase awareness, transparency, and efficiency to stand up a robust Pseudo-Tie implementation process

- PJM does not have a FERC-approved standard agreement for use to request and implement a Pseudo-Tie
- The lack of a standard agreement has resulted in multiple variations of a “form” agreement for each different Pseudo-Tie
- There is a lack of uniformity among the requirements for the Pseudo-Ties
- Allows for the potential for confusion as to the appropriate operating procedure for Pseudo-Ties when they may all vary slightly
- Difficulty obtaining agreement with other BAs on terms of Pseudo-Tie agreement

- One, standard pro-forma Pseudo-Tie agreement approved by FERC
 - Addresses congestion management with entities for which PJM does not have congestion management agreements
 - Ensures impacts are recognized in market flows, where applicable, utilizing CMP market flow calculation methodology
 - Requirement to honor firm status for the Pseudo-Tie transfer
 - Requirement to utilize IDC re-dispatch mechanism to control impacts
 - Standard set of applicable rules for all Pseudo-Ties
- Require agreement by every party involved in the electrical movement of energy from outside of PJM into PJM pursuant to the Pseudo-Tie, including PJM, Native BA, Intermediate BA, Other RCs and Other TOPs

- PJM has coordinated its efforts to incorporate the pro forma pseudo-tie agreements into the Tariff with its proposal coming out of the URMSTF concerning Pseudo-Ties
- PJM will revise the pro forma agreement used to request and implement the Pseudo-Tie to incorporate any necessary requirements arising out of the URMSTF stakeholder process to the extent they are not already included

- Process may take longer because agreement by several parties aside from PJM and company are required
- PJM will not approve any Pseudo-Ties that do not have sign-off by all affected entities
- All impacted parties know in advance of the requirements and presumably this will lead to better decision-making with respect to whether to pursue a Pseudo-Tie

- PJM has an existing form of Pseudo-Tie reimbursement agreement that requires a deposit for studies that need to be completed before PJM can determine whether a requested Pseudo-Tie into PJM can be implemented
- The reimbursement agreement should be in the PJM Tariff
- The form of agreement has been revised to make it more robust
 - Added administrative fee to cover review costs
 - Clarified process
 - Clarified invoice and late payment provisions
 - Require FERC filing and approval

- Tariff, Att. K-Appendix and Operating Agreement, Schedule 1, section 1.12 need to be revised to:
 - require execution of pseudo-tie agreement for pseudo-ties
 - make clear that PJM is not required to implement a pseudo-tie, i.e. PJM reserves the right to deny the request to pseudo-tie a resource if it doesn't satisfy the applicable criteria

- Operating Committee
 - First read – December 2016
 - Second read – January 2017
 - Vote – February 2017
- Markets and Reliability Committee
 - First read – January 2017
 - Second read and vote – February 2017
- Members Committee
 - First read – February 2017
 - Second read and vote – March 2017
- FERC Filing – April 2017