

# Direct Billing for Late Outages

OC Meeting  
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- A process does not currently exist in the PJM Open Access Transmission Tariff (OATT) or Operating Agreement (OA) to allow a specific Transmission Owner to pay for off-cost operations associated with MP-1 facilities that result from late transmission outage submittals.
  - MP-1 Facilities are those tariff facilities under PJM congestion management (Reliability and Markets)
  - MP-2 Facilities are those defined as Reliability BES

## 1.9.2(c)(ii)

The Office of the Interconnection may, however, if requested by the Transmission Owner, dispatch generation or reductions in demand in order to avoid implementing an alternative outage schedule for its Transmission Facilities to extent consistent with its obligations under the Operating Agreement or PJM Tariff and provided the Office of the Interconnection determines that such dispatch would not adversely affect reliability in the PJM Region or otherwise not be in accordance with Good Utility Practices. A Transmission Owner that makes such a dispatch request pursuant to this section shall be responsible for all generation and other costs resulting from its request that would not have been incurred had the Office of the Interconnection implemented an alternative outage schedule to reduce or avoid reliability and congestion impacts. The Office of the Interconnection may directly assign to a Transmission Owner all generation and other costs resulting from the Office of the Interconnection's dispatch of generation or reductions in demand arising from outages associated with RTEP upgrades not submitted consistent with the timelines set forth in this Agreement and the PJM Tariff and where such outage is required to meet the reliability-based in-service date of the RTEP upgrade project.

Concern	Comment
Current Rules (MP-1 and MP-2 Facilities)	Transmission Owners (TO) have asked for ability to pay for congestion in order for an outage not to be canceled or delayed
	Current Tariff/OA language does not exist to allow this option for MP-1 impacted facilities (only MP-2 facilities (OATT section 1.7.6c))
Revenue Inadequacy	PJM will only direct bill a TO for outages where generator controlling solutions can be identified in advance
	Isolating the controlling generation prevents the constraint from being part of the LMP calculation which eliminates FTR impact
EHV Facilities	EHV facility overloads where the costs cannot be isolated (system wide congestion) do not fall under this language
Generator Compensation	Generators identified as part of transmission control will be compensated under this proposal
	Generator must be logged in order to be compensated (to include raise/lower/off-line)

Concern	Comment
Identify Costs	<p>Costs are currently socialized for any MP-1 off-cost operation whether the outage is late or on-time</p> <p>This language allows for the direct assignment of costs to the TO for a subset of overall outages impacting MP-1 facilities</p>
Reliability/RTEP Penalty	<p>Current proposal provides PJM with ability to assign costs directly to T.O. if a late outage is required otherwise the result is an unreliable system state</p>
Late Rules	<p>Outages originally submitted late as defined under 1-month and 6-month language are subject to this language</p> <p>Outages originally submitted on-time but must slide into the next month after the first of the previous month are also considered "late"</p> <p>Sliding outages may be subject to this language unless delay is due to unforeseen circumstance such as equipment delivery issues</p>