

Manual 14E: Merchant Transmission Specific Requirements

2.8 Procedure to Maintain Firm Transmission Injection Rights (TIRs)

1. General Procedure

The holder of Firm TIRs must test annually to demonstrate the merchant facilities' ability to inject capacity into the PJM Transmission System at the defined Point of Interconnection between the Merchant D.C. or Fully Controllable A.C. Transmission Facilities and the PJM Transmission System. This annual testing requirement is directly comparable to the testing requirement applied to generation facilities that have associated Capacity Interconnection Rights.

In October of each year, PJM will examine the operational performance of the Merchant D.C. or Fully Controllable A.C. Transmission Facilities for the preceding twelve months ending September 30. PJM will determine the maximum amount of scheduled capacity at the defined Point of Interconnection between the Merchant D.C. or Fully Controllable A.C. Transmission Facilities and the PJM Transmission System over any consecutive two-hour period, and compare that value to the amount actually injected over the same two-hour period. If the maximum amount of injected capacity is equal to or exceeds the level of Firm TIRs associated with the Merchant D.C. or Fully Controllable A.C. Transmission Facilities, the holder of such Firm TIRs shall retain the full value of the Firm TIRs. If, in a given year, no scheduled transfers or operational data demonstrate the injection of capacity at the defined Point of Interconnection up to the full level of Firm TIRs, the holder of said Firm TIRs may supply to PJM alternate supporting data to demonstrate full injection capability. PJM shall determine if such data is sufficient to substitute for the operational data in the evaluation of such Firm TIRs.

If the holder of Firm TIRs chooses to use Transmission Withdrawal Rights in place of Firm TIRs for a period of one year or more, the holder of such Firm TIRs must still provide evidence of Firm TIR capability, each year.

It is the responsibility of the Firm TIR holder to either; (1) schedule and perform testing, (2) schedule and transfer energy adequate to demonstrate the Firm TIR capability, or (3) provide supporting data to demonstrate full injection capabilities.

2. Loss of Firm TIRs

In the event that any Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities fail to demonstrate full capacity injection (as described in 2.8.1) for any consecutive three-year period, the holder(s) of the associated Firm TIRs shall have their Firm TIRs reduced to a level equal to the maximum amount of demonstrated capacity injection at the Point of Interconnection over the consecutive three-year period. The reduced level of Firm TIRs shall become effective on February 1 in the year following completion of the three-year period. If an event that would constitute a force majeure event occurs, the holder of the Firm TIRs must provide documentation to PJM describing the event and the estimated duration of the force majeure event. Force majeure events will be excluded from the three year test per Tariff section 232.