



**PJM Quality Project –
Proposed Amendment to Manual 14A
Market Solution: Disposition of Forfeited Additional Security**

PC Committee
December 15, 2011

- Section 216.2.4.2.3 of the PJM Tariff provides:

Disposition of Forfeited Additional Security:

- *Transmission Provider shall utilize any funds that it retains pursuant to Section 216.2.4.2.2 above to offset the cost to load affected by the transmission constraint that the project to be built under the relevant terminated Interconnection Service Agreement would have relieved. Such relief shall be applied with regard to congestion caused by the transmission constraint that occurs after termination of the applicable Interconnection Service Agreement. **Transmission Provider shall establish in the PJM Manuals procedures for allocating and applying such relief to congestion costs incurred by affected load.***
- The Quality Project found that there are no procedures in the PJM Manuals for allocating and applying relief to congestion costs incurred by affected load due to termination (as specified in section 216.2.4.2.2 of the PJM Tariff) of an Interconnection Service Agreement for a project that has accepted designation as a market solution.

- Section 4.1 of Manual 14A – PJM proposes to add the following paragraph after the last paragraph of section 4.1:
- *In the event a Network Upgrade(s) associated with an interconnection project that has accepted designation as a market solution is terminated in accordance with Section 216.2.4.2.2 of the PJM Tariff, PJM shall perform a market efficiency analysis with and without the Network Upgrade(s) to determine which PJM Zones are affected by the removal of such Network Upgrades. Any remaining additional security provided by the Interconnection Customer pursuant to Section 216.2.4.2.1 shall be apportioned to the Zones affected by the removal of such Network Upgrades.*