Market Settlements Timing – Virtual Credit Data Enhancement (mitigating “Credit Data Lag”)

Update
Current Timing for Settlements

- Day Ahead LMP, Virtual Transactions (Inc, Dec) and Upto Transactions are available in Market Settlements Day – 1.
- Business days Real Time nodal LMP for nodes and hubs are available in Market Settlements Day + 1.
- Weekend (Fri, Sat and Sun) Real Time LMP and Aggregate prices are typically available in Market Settlements the following Monday after 5pm.
• Market Settlements must process raw data into actual invoice data
• This processing is complex and introduces additional delays in data receipt by the credit system
• Current virtual transaction credit calculations compensate for this delay by requiring credit for cleared transactions for three days (current day plus two prior days)
Virtual Credit Data Enhancement may be possible by using unofficial LMP data outside of the normal Market Settlements processes to mitigate virtual data lag by capturing approximate energy-only market results for virtual transactions.

- Data would be approximate but likely close to actual
  - Data would not include fees and other impacts that Market Settlements normally includes

- OA/Tariff changes may be required to enable use of this data for credit purposes
Potential Exposures

- **D1 12:01am – 8am-Noon**
  - DA market bids for D2 entered
  - RT for D1 in process
- **D1 Noon – 4pm**
  - DA market day D2 clearing
  - RT for D1 in process
- **D1 4pm – midnight**
  - DA market day D2 cleared
  - RT for D1 still in process

- Data delay in RT price availability and market results calculations leaves D0 results uncertain for early D1
- To allow “1+1” credit requirement, previously-entered bids for D2 would have to be reviewed early in the day each day
  - However, aggregate prices are not available until after meter data is submitted - D+2 or later
Issues With “1+1” Implementation

• A goal of “1+1” (one day bid plus one day cleared virtual transaction credit requirement) is theoretically possible but not with current data availability
  – Although LMP data is available, aggregates are not calculated until RT meter data is submitted
    • Would require “1+2” on weekdays and “1+3” (or more) on weekends
Possible Solutions

• It may be possible for PJM to implement a separate aggregate calculation for virtual credit data enhancement

• It may be possible to implement separate timeframes for aggregate and non-aggregate virtual credit transactions and/or for different days of the week

• For both cases, PJM will need to investigate the possibility vs. the downsides involved
Day Ahead
By Customer Account: Cleared Virtual Transactions * Day Ahead Energy Price

Real Time
By Customer Account: Cleared Virtual Transactions * Real Time Energy Price