Export Credit Screening

Credit Subcommittee
October 29, 2014
Harold Loomis
Export credit screening is scheduled to go live at 11:00 am Monday, November 3, 2014

All exports to all external Balancing Authorities will be screened for credit

- CTS transactions may be imports or exports; CTS exports will be screened along with all other exports

Exports failing the credit screen will be curtailed

Export transactions will be screened initially upon entry, and again later, near the scheduled hour

- Transactions entered before the go live screen time will be screened at that time and/or before the transaction time itself

- CTS transactions, which may begin flowing Nov 4, may be entered as early as October 22 but CTS export screening of those transactions won’t happen until 11:00 am on November 3
• Credit for Export Transactions must be explicitly set aside in eCredit
  – Please contact your credit person directly.
    • Your CAM should be able to let you know who has eCredit access for your company.
  – Instructions for setting aside credit for exports are posted on PJM's web site at http://www.pjm.com/markets-and-operations/etools/ecredit.aspx
  – Credit must be available for a rolling four calendar days of submitted and actual transactions
    • Today's submitted and/or actual transactions plus prior three days’ actual transactions
    • This will change to two days (today plus yesterday) on December 1, 2014, pending FERC approval
  – Credit may be set aside now. There is no need to wait until November
  – If you have multiple accounts, the Export credit set-aside must be set up for each account in which export transactions will take place
• The amount of credit needed is the MW of each transaction times the price for each transaction
  – Initially, the price used is the Export Nodal Reference Price factor (or the RT SCHED price, if higher) for the location of the export
    • The Export Nodal Reference Price and RT SCHED price are different for each export location
  – The initial prices used in the calculations will be replaced with actual prices as they become available
  – The Export Nodal Reference Prices will change every two months (Nov-Dec is the first two month period)
  – Complete details of the credit screen were filed in PJM's August 29 filing with the FERC
Export Credit Screening

• Example:
  – 100MW exported for 12 peak hours each day from a location with an Export Nodal Reference Price of $80 for peak hours
  – 100MW * 12 hours/day * 4 days * $80/MWH = $384,000 credit set-aside needed

• If there is insufficient credit available to set aside, you may need to submit additional collateral
  – Please gross up your needs for the 10% discount factor and the $200,000 minimum, if applicable
  – If you have questions, please contact the PJM Credit Department at credit_hotline@pjm.com