Market Settlements Informational Items

January 22, 2013
Market Settlements Subcommittee
Settlements Changes effective 10/1/2012

- **Shortage Pricing**
  - New Non-Synchronized Reserve Market settlements
  - Enhancements to Synchronized Reserve Market settlements and Balancing Operating Reserves
  - Non-Synchronized Reserve will be added to MSRS EQR report this month

- **Performance Based Regulation**
  - Regulation Credits based on effective MWs (actual performance score and applicable marginal benefits factor) and RMCCP and RMPCP.
  - Regulation Charges based on adjusted regulation obligation and RMCCP and RMPCP.
  - Additional settlements changes pending order on Jan. 15, 2013 compliance filing

- **Settlements details in Manual 28 Operating Agreement Accounting**
Operating Reserve Allocation Settlements Changes

• Day-ahead and Balancing Operating Reserve Credits (including testing costs) for Black Start Units allocated monthly by zone as Black Start Service Charges
  – Allocated to Point to Point and Network Transmission Customers based on monthly peak use
  – No change to credit, charges included in Black Start Service Charge (BLI #1380)

• Day-ahead Operating Reserve Credits for units scheduled for reliability reasons allocated to zone(s) as Reactive Service Charges
  – Allocated based on real-time load ratio shares in the applicable zone(s)
  – No change to credit, charges included in Reactive Services Charge (BLI #1378)

• FERC Order still pending, proposed effective 12/1/2012
Other Settlements Changes

- NYISO Market to Market implemented on 1/15/2013
  - NYISO JOA congestion dollars will be included in total congestion charges that are allocated to FTR holders (same as MISO JOA methodology)

- Elimination of internal source and sinks for external transactions to be implemented on 3/1/2013
  - Overview of change and proposed Manual 28 changes can be found under Jan 9th MIC meeting materials
  - [Proposed Manual 28 Operating Agreement Accounting Changes](#)
  - [MIC Jan 9, 2013 presentation](#)
Lost Opportunity Cost Credit Adjustment

- CT LOC Adjustment separated into two allocations
  - LOC Credits excluding Ingenco adjustment
    - Allocated in the December 2012 bill issued on Jan 8, 2013.
  - Ingenco refund of LOC Credits
    - Refund allocated based on 50% of Ingenco’s weekly RPM credits
    - Refund facilitated via weekly billing over a 3 year period or when the approved settlement amount plus interest is satisfied.
  - Both adjustments distributed under CT Lost Opportunity Cost Allocation billing line item (ID#2912)
• Holiday deadline schedule for 2013 posted on Market Settlements Guides and Forms page and MSS page on pjm.com

• Residual Zone Pricing filing conditionally accepted by FERC on January 8, 2013
  – Proposed manual changes will be presented at MIC/MRC meetings during the 2nd quarter of 2013