Problem Statement

Month-End Meter Corrections between PJM Members

Problem / Opportunity Statement

In the Meter Error Correction Billing (PJM Manual 28, Section 12.1) procedures, the corrections of meter errors affecting an interchange of energy with another PJM Member (Section 12.1.1) that are accounted for at the end of the billing cycle are made through a financial adjustment based on average LMP values. There is no adjustment of the actual interchange between the affected members. This is in contrast with Section 12.1.2 (Meter Corrections between Control Areas) in which PJM does adjust the actual interchange between PJM and the other Control Area to maintain a proper record of inadvertent energy flow. By not adjusting the actual interchange between PJM members, a proper record of the hourly energy is not being accounted for within PJM or the members’ system data.

- The problem to be addressed, the issue to be resolved: The lack of proper energy accounting / pricing of the hourly energy resulting from Month-End Meter Corrections within the PJM and the Members’ system data
- The situation to be improved: Allow for a proper record of the hourly energy within the PJM and the Member’s system data. Allow for correct hourly pricing of meter corrections.
- And/or the opportunity to be seized: These adjustments could be applied through the 60-day reconciliation and LSEs would be charged / credited at the correct hourly LMP rather than an average LMP. This would also eliminate the potential for “gaming” the process (underreporting during low LMP hours and submitting corrections that are applied at a higher average LMP).
- Why it warrants consideration in the PJM stakeholder process: Requires an update to the PJM Manual (28, Section 12) and possibly to the PJM tariff and Operating Agreement.
- Include any outcomes that have occurred to-date as a result of the issue: There have been adjustments that have been “too small” to do a “post deadline eMTR adjustment” but are substantial to the EDC / Generator.

Issue Source

Pepco Holdings, Inc. (PHI)

Stakeholder Group Assignment

Recommendation is for the MSS to handle this request.

Key Work Activities

1. Review the rules governing Meter Correction Error Billing
2. PJM and Stakeholders to identify potential solutions.
3. Determination of rule changes necessary to implement proposed solutions, if necessary.

4. Present alternatives/proposals to senior committees for endorsement.

5. Develop Tariff, Operating Agreement, and Manual changes as necessary.

**Expected Deliverables**

Provide Tariff, Operating Agreement, and Manual changes as necessary

**Expected Overall Duration of Work**

6 to 8 months

**Decision-Making Method**

Tier 1, consensus (unanimity) on a single proposal (preferred default option), or Tier 2, multiple alternatives.