Twin Cities Power, LLC
EMU Proposal Phase 2 – Package D
Executive Summary

Twin Cities Power, LLC (TCP) proposes that primarily the uplift allocation mechanism remain unchanged. Therefore, TCP proposes the below:

1. The status quo for the uplift allocation mechanism remains in place with one change.
2. Add transmission line outage deviations to the allocation for the balancing operating reserve for deviations charge (both RTO wide and regional).
   a. Excluding line outages that are brought back early once the outage has already started.
   b. Excluding line outages that are changed at the direction of PJM staff.

The reasoning for adding these line outage deviations to the allocation are as follows:

1. Transmission line outages impact both the day ahead and real time markets/prices, and can cause divergence in the market. This can impact unit commitment and cause additional uplift to be incurred.

2. Changes in transmission line outages after the day ahead market closes (and outside of the timing in Manual 03: Transmission Operations – 11am) include the following:
   - Cancellations
   - Scheduling (additions)
   - Re-scheduling

3. Load is charged this uplift fee when their load deviates from their demand bid schedules. Weather related issues, error of employees, third party contracting issues do not cause them to be exempt from this uplift fee. Physical deviations, including transmission line outage deviations, should be charged comparatively (to those such as load).