5-Minute Settlements

Rebecca Stadelmeyer
Overview

• FERC Order 825 – Sub-Hourly Settlements
  – Align settlement and dispatch intervals by:
    • Settling energy transactions in its real-time markets at the same time interval it dispatches energy
    • Settling operating reserves transactions in its real-time markets at the same time interval it prices operating reserves
    • Settling intertie transactions in the same time interval it schedules intertie transactions
  – Final Rule issued June 16, 2016
• Align prices with resource dispatch instructions and operating needs, providing appropriate incentives for resource performance
## Project Timeline

<table>
<thead>
<tr>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
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</thead>
<tbody>
<tr>
<td>PJM Compliance Filing</td>
<td>Design, Development, Testing</td>
<td>Training Implementation</td>
<td>Production Implementation</td>
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- Obtain Member Feedback on App Changes
- Communicate Power Meter Changes
- Communicate MSRS Changes

- Business rules will be discussed at MIC and Market Settlement Subcommittee
System Changes

- Market Settlement Calculation System (MSCS)
- Market Settlement Reporting System (MSRS)
  - New 5 Minute reports
  - Minimize changes to current hourly reports
- Power Meter
  - Accept 5 minute meter data (though not required)