



Load Reconciliation Problem Statement and Issue Charge

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- Review the Consensus Based Issue Resolution Process
- Education on current Load Reconciliation settlements
- Gain consensus to work on the issue
- Develop interests for the issue

- Evaluate the issue based on the approved Problem Statement, Issue Charge and Charter
- Four steps:
 - ① Problem Investigation
 - ② Proposal Development
 - ③ Decision Making
 - ④ Reporting to Standing Committees

1

Problem Investigation

Develop a detailed work plan to assist the group in identifying key milestones and deliverables based on the Charter

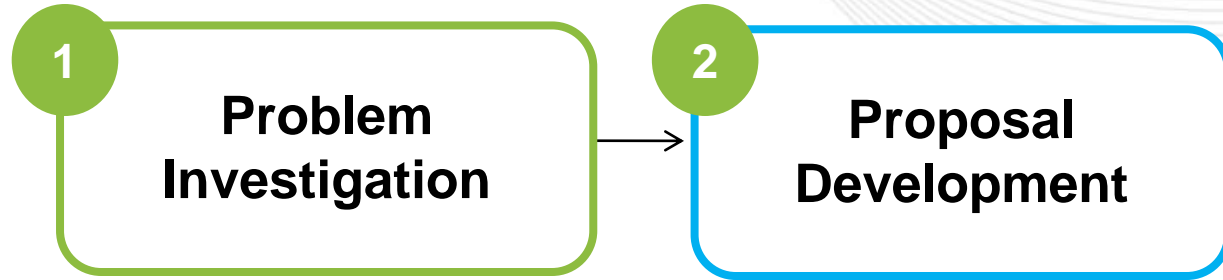
- Education and joint fact finding:
 - Describe existing operations and procedures
 - Determine whether any information necessary to do the work that is missing
 - Agree on roles, responsibilities, deadlines and goals
 - Explore and consider “best practices”
 - Determine whether outside expertise or assistance may be needed

1

Problem Investigation

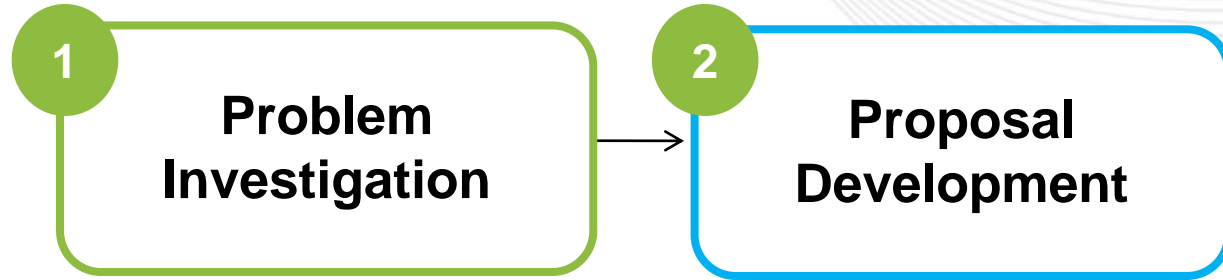
Identify interests to ensure all stakeholders have a common understanding of each others' position and/or interest

- Ask participants to communicate the importance of the issue to their organization
- Ask participants to share the most and least important interests in regards to the issue
- Consolidate responses



Propose solutions using a two-step process

- **Step 1: Options Matrix**
 - Develop options for design components
 - Identify priority level
 - Propose solution options
 - Evaluate and narrow down options (“winnowing”)

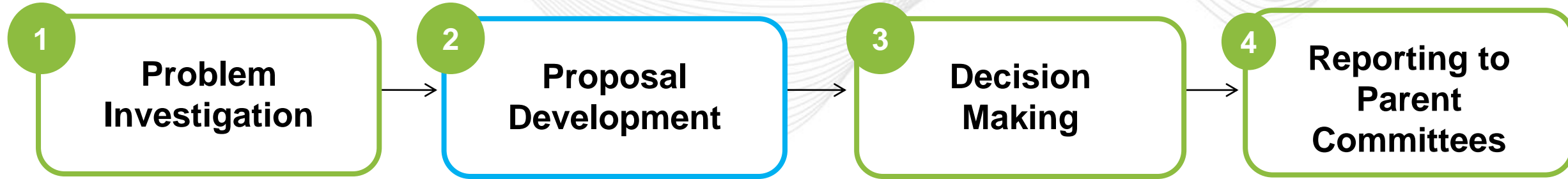


- **Step 2: Solution Matrix**

- Discuss development of packages, encouraging broad stakeholder proposals
- Use solution option for each package
- Identify similarities and differences
- Prioritize, refine and consolidate as best as possible



- Step 3: Decision making
 - **Tier 1:** Achieve consensus on a single proposal that all parties accept with no objections
 - **Tier 2:** Provide 2-3 alternatives when consensus is not obtained under the Tier 1 approach



The Task Force or Subcommittee is required to provide ***periodic updates*** and a ***final report*** to the Parent Committee

- Updates should include progress on milestones and deliverables
- The final report will detail all the of steps used in the evaluation process including the proposed solutions



Load Reconciliation Education

- Load reconciliation data is provided by EDCs no later than two months after the original billing month
- Reconciliation data represents the difference between the initial values submitted into InSchedule and the “actual” usage based on metered data
- Load reconciliation data can be submitted for each applicable InSchedule contract
- Load reconciliation charges and credits are calculated for EDCs and LSEs for past billed months on a 2 or 3 month lag

- Majority of load reconciliation billing
 - Hourly kWh value times applicable billing determinant
 - Results are summed to a monthly charge or credit
- Reconciliations appear on the monthly invoice, in most cases as a separate billing line item (BLI)
- Currently there are 19 charge BLIs and 2 credit BLIs

- Changes made in 2015 to include load reconciliation MWs in Emergency Energy, Emergency Demand Response, and Operating Reserves for deviations
- Impact of load reconciliation applied to these charges as adjustments to prior billed months and not with separate BLIs

- Technology refresh for internal settlement calculation system
- Opportunity to standardize load reconciliation settlements
- PJM proposes to handle all load reconciliation settlements as adjustments to prior billed months and eliminate the 21 distinct BLIs

1. Standardize load reconciliation settlements across all impacted BLIs
2. Standardize load reconciliation data on settlement reports
3. Reduce the number of BLIs on the monthly bill
4. Eliminate confusion between source month and billing month for reruns for load reconciliation data

- Reduce the number BLI transfers that members need to manage
- Improve settlement calculation efficiencies for PJM Settlement staff
- Unify Balancing Operating Reserve deviation and reliability charges under the same settlement method