UTC Uplift Allocation Compliance Filing (EL14-37)

Ray Fernandez,

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Market Settlements Subcommittee

October 15, 2020

- FPA 206 action on an investigation that began in August, <u>2014</u> regarding:
  - How uplift is, or should be, allocated to all virtual transactions in PJM;
  - PJM's different treatment of UTCs as compared to INCs and DECs for purposes of allocating uplift.

- PJM's current uplift allocation rules are unjust, unreasonable, and unduly preferential because they do not allocate uplift to UTCs.

- PJM is directed to submit a replacement rate that revises PJM's current uplift allocation rules to allocate uplift to UTCs in a manner that treats a UTC, for uplift allocation purposes, as if the UTC were equivalent to a DEC at the sink point of the UTC.

  - As a result, UTCs will be allocated both real-time uplift and day-ahead uplift.

- Compliance filing due <u>August 31, 2020</u>.

- The order states that "[t]he Commission will establish an effective date for these provisions after reviewing the compliance filing."

  – PJM will recommend that the Commission establish an effective date of November 1, 2020.

- Day-ahead Operating Reserve Charges

  – Cleared Up-To Congestion bids will be allocated Day-ahead Operating Reserve charges at the sink end of the transaction.

  – The daily total cost of Day-ahead Operating Reserve will be allocated and charged to market participants in proportion to their cleared day-ahead demand, decrement bids, and *up-to congestion bids* plus their cleared day-ahead exports.

- Balancing Operating Reserve Deviation Charges
  - PJM will treat the sink side of the cleared UTC in a similar manner to cleared decrement bids for withdrawal deviations.
  - The sink side of the UTC will be included in the Day-ahead withdrawal bucket and included to net against real-time withdrawals at the same location.

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Please send feedback on compliance directive, if any, to the above contacts.

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UTC MSRS Report Updates

Sean Flamm

Market Settlements Development

Market Settlements Subcommittee

October 15, 2020

- Updates to 3 existing reports
  - Operating Reserve Charge Summary
  - Operating Reserve Deviation Summary – 5 Minute
  - Operating Reserve Deviation Summary

- Report updates effective for trade dates 11/01/2020 forward

- New column DA Up-To Congestion Bids (MWh) added to display organization's total cleared DA UTC Bids contribution

The following columns will appear in the body of the report:

Online and CSV Column Name	XML Column Name	Column Number	Data Type
Customer ID	CUSTOMER_ID	4000.01	INTEGER
Customer Code	CUSTOMER_CODE	4000.02	VARCHAR2(6)
Date	DATE	4000.04	DATE (MM/DD/YYYY in online and CSV formats, YYYY-MM-DD in XML format)
Total PJM DA Operating Reserve Credit ($)	TOTAL_PJM_DA_OPRES_CREDIT	1370.11	NUMBER(22,2)
DA Load (MWh)	DA_LOAD	3000.37	NUMBER(22,3)
DA Operating Reserve Exports (MWh)	DA_OPRES_EXPORTS	1370.12	NUMBER(22,6)
DA Up-To Congestion Bids (MWh)	DA_UTC_BIDS	1370.31	NUMBER(22,6)
Total PJM DA Load Plus Exports (MWh)	TOTAL_PJM_DA_LOAD_PLUS_EXPORTS	1370.13	NUMBER(22,6)
DA Operating Reserve Charge ($)	DA_OPRES_CHARGE	1370.01	NUMBER(22,2)
Bal Operating Reserve for Reliability Charge ($)	BAL_OPRES_FOR_REL_CHARGE	1375.36	NUMBER(22,2)
Bal Operating Reserve for Deviations Charge ($)	BAL_OPRES_FOR_DEV_CHARGE	1375.37	NUMBER(22,2)
Bal Operating Reserve Charge ($)	BAL_OPRES_CHARGE	1375.01	NUMBER(22,2)
Bal Operating Reserve Local Constraint Charge ($)	BAL_OPRES_LOCAL_CONSTRAINT_CHARGE	1375.02	NUMBER(22,2)
Version	VERSION	4000.07	VARCHAR2(12)

- Supporting calculation for DA Operating Reserve Charge column updated to include DA Up-To Congestion Bids

DA Operating Reserve Charge = Total PJM DA Operating Reserve Credit * (DA Load + DA Operating Reserve Exports + DA Up-To Congestion Bids) / Total PJM DA Load Plus Exports

1370.01 = 1370.11 * (3000.37 + 1370.12 + 1370.31) / 1370.13

- Special Logic updated to include note for Total PJM DA Load Plus Exports column

  - Effective 11/1/2020 the Total PJM DA Load Plus Exports column will also include Up-To Congestion bid contributions.

- New column DA Up-To Congestion Bids (MW)

Online and CSV Column Name	XML Column Name	Column Number	Data Type
DA Up-To Congestion Bids (MW)	DA_UTC_BIDS	1370.31	NUMBER

- Supporting Calculation for DA Operating Reserve Withdrawal updated to included DA Up-To Congestion Bids

- DA Operating Reserve Withdrawal = DA Decrement Bids + DA Demand Bids + DA Load Response Bids + DA Operating Reserve Exports + DA Internal Bilateral Sales + DA Up-To Congestion Bids

  1370.29 = 1370.24 + 1370.25 + 1370.26 + 1370.27 + 1370.28 + 1370.31

- New column DA Up-To Congestion Bids (MWh)

Online and CSV Column Name	XML Column Name	Column Number	Data Type
DA Up-To Congestion Bids (MWh)	DA_UTC_BIDS	1370.31	NUMBER

- Supporting Calculation for DA Operating Reserve Withdrawal updated to included DA Up-To Congestion Bids

  - DA Operating Reserve Withdrawal = DA Decrement Bids + DA Demand Bids + DA Load Response Bids + DA Operating Reserve Exports + DA Internal Bilateral Sales + DA Up-To Congestion Bids

    1370.29 = 1370.24 + 1370.25 + 1370.26 + 1370.27 + 1370.28 + 1370.31

- Values on Operating Reserve Deviation Summary are hourly averages of the sub-hourly values on the Operating Reserve Deviation Summary – 5 Minute report