

Uplift Allocation Proposal

- Eliminate Day-ahead uplift
- Allocated all Real-time Uplift on a Daily basis to all real-time Load and real-time Generation
$$\frac{\text{Daily sum of Uplift}}{\text{Daily Real-time Load} + \text{Daily Real-time Generation}}$$
- The above formula calculates a rate then multiplied to all Daily Load and Generation. This should, on most days, produce a minimal \$/mwh charge.
- All other Market Transactions, i.e. Imports, Exports, INC's, DEC's, DR, UTC's, etc. will be charged a pre-determined fee to participate in the PJM Market. The fees collected on a given day will be a credit applied to the calculation of daily uplift before the above rate is calculated.
- The fees charged for Market Transactions will be determined by the non-biased, independent Staff of the RTO to incent as much of the transaction as the pool can adequately handle, producing the maximum revenue off-set and provide hedging tools and liquidity to the market.
- Costs should be allocated to those that benefit from the action that creates the cost. No out-of-merit actions are ever taken to directly support any of these transactions but all transactions benefit from having a reliable, properly priced pool so it can be reasoned that all should pick up some portion of the cost.
- I believe this spreads the cost as wide as possible AND gives the most ability to control incentives AND provides a tool to control the level of any transaction class.