

Apollo Energy Services, LLC
EMU Proposal Phase 2 – Package D
Executive Summary

Apollo Energy Services, LLC (Apollo) proposes that primarily the uplift allocation mechanism remain unchanged. Therefore, Apollo proposes the below:

1. This package is considered an add-on to other Phase 2 packages.
2. Add transmission line outage deviations to the uplift allocation at line rating volumes for each hour of deviations.
 - a. Excluding line outages that are changed at the direction of PJM staff.
3. Uplift Allocation should be allocated per the below for each package.
 - a. Status Quo, Package H, Package J, Package K, Package L: Allocated balancing operating reserve for deviations charge (both RTO wide and regional)
 - b. Package C, Package S: Allocated the same as Physical Deviations.
 - c. Package F: Allocated Deviations Bucket in Stage 2.
 - d. Package M: Allocated balancing operating reserve for deviations – transmission bucket.
 - e. Package I: Allocated CMC charges.
 - f. Package P: Allocated same rate as Load.

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).