URMSTF Update
Non-CMP Agreements Impact for Pseudo Ties

11/21/2016

Background - INT 004 Requirement

- NERC Standards require **Pseudo-Tie units to be tagged unless it is included in a congestion management procedure**:
  - *INT-004, R1: Each Purchasing-Selling Entity that secures energy to serve Load via a Dynamic Schedule or Pseudo-Tie shall ensure that a Request for Interchange is submitted as an on-time1 Arranged Interchange to the Sink Balancing Authority for that Dynamic Schedule or Pseudo-Tie, unless the information about the Pseudo-Tie is included in congestion management procedure(s) via an alternate method.*
    http://www.nerc.com/pa/Stand/Reliability%20Standards/INT-004-3.pdf
- PJM CP criteria prohibits pseudo tie units to be tagged per RAA
  - *Section 1.7A - Capacity Market Seller may offer an external Generation Capacity Resource to the extent that such resource: (i) is reasonably expected, by the relevant Delivery Year,* ***to meet all applicable requirements to be treated as equivalent to PJM Region internal generation that is not subject to NERC tagging as an interchange transaction****;*

Non-CMP Pseudo Tie Checklist

- PJM will study the impacts on Non-CMP (Congestion Management Process) systems
  - CMP includes MISO, TVA, SPP, Manitoba, MPC and AECI
- If PJM observes impacts on non-CMP systems
  - PJM will communicate this finding to the pseudo tie owner
  - PJM will require the following commitment between PJM and the impacted external balancing authorities:
    - Requirement to not tag the pseudo-tie resource
    - Agreement for PJM to include the pseudo-tie impacts utilizing CMP market flow calculation methodology
    - Requirement to honor firm status for the pseudo tie transfer
      - Agreement for PJM to utilize its Day-Ahead Security Constrained Economic Dispatch (DA SCED) to establish firm flow limits
    - Requirement to utilize IDC re-dispatch mechanism to control impacts

Next Step

- PJM legal department to initiate a stakeholder effort to formalize a “pro forma” Tariff agreement to memorialize non-CMP requirements

- Goal is to increase awareness, transparency, and efficiency to stand up a robust pseudo tie implementation process