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March 31, 2023

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426

*Re: PJM Interconnection, L.L.C., Docket No. ER23-1529-000
Tariff Revisions to Improve the Determination of Day-Ahead Zonal Load Factors*

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act (“FPA”),¹ and part 35 of the Federal Energy Regulatory Commission (“Commission” or “FERC”) regulations,² PJM Interconnection, L.L.C. (“PJM”) submits this filing to modify Open Access Transmission Tariff (“Tariff”), Part III, section 31.7(c) to improve the granularity of the demand assumption used to clear the Day-ahead (“DA”) Energy Market, known as the DA Zonal Factor, by using hourly demand data from one week prior to the Operating Day instead of using a single snapshot of demand at 8:00 a.m. from one week prior to the Operating Day.³ The proposed Tariff revisions constitute a straight-forward change to PJM’s procedures intended to increase the accuracy of the Day-ahead Energy Market and reduce the potential misalignment between the Day-Ahead and Real-Time Energy Markets. The Commission should therefore accept the proposed Tariff revisions, to be effective as set forth herein.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. part 35.

³ A marked version of the revised Tariff, section 31.7(c)(i) is included as Attachment A to this filing, with a clean version of included as Attachment B. Capitalized terms not defined herein have the meanings set forth in the Tariff.

PJM seeks to implement the proposed Tariff reforms during the third quarter of 2023. However, the changes to the determination of the DA Zonal Factor require updates and revisions to PJM's software systems, and PJM is developing an implementation plan for these modifications making the deployment date uncertain at this time. Nonetheless, to ensure that PJM is able to meet this objective and properly implement any approved changes, PJM respectfully requests that the Commission issue an order (1) accepting this filing by May 30, 2023 which is 60 days from the date of this filing,⁴ (2) establishing an "indefinite" effective date of 12/31/9998 for the revised Tariff, Part III, section 37.1(c), and (3) directing PJM to submit a compliance filing with the Commission to establish the actual effective date once it is known.

I. BACKGROUND

Under PJM's current market rules, demand (*i.e.*, load) is bid in at a zonal and residual aggregate level, which then must be distributed across the load buses located within that zone or residual area. Tariff, Part III, section 31.7 sets forth procedures for determining the area for a customer's load, known as an "Energy Settlement Area,"⁵ with subsection 31.7(c) establishing the methodology for determining the distribution of load buses in an Energy Settlement Area. Specifically, the tariff provides that "[t]he default distribution of load buses for a Zone for the Day-ahead Energy Market is the State Estimator distribution of load for that Zone at 8:00 a.m. one week prior to the Operating Day (*i.e.* if the Operating Day is Monday, the default distribution is from

⁴ PJM has assigned an effective date of May 30, 2023 to one eTariff record (Tariff, Part III, section 31.7) submitted with this filing (in metadata only) in order to effectuate Commission action by this date.

⁵ In the Tariff, this is called an "Energy Settlement Area," which is the "bus or distribution of busses that represents the physical location of Network Load and by which the obligations of the Network Customer to PJM are settled." Tariff, Part I, OATT Definitions E- F, definition of Energy Settlement Area.

8:00 a.m. on Monday of the previous week).”⁶ PJM then, in clearing the Day-ahead Energy Market, uses the ratio of the distribution of load at 8:00 a.m. at each load bus to the total Zonal load to allocate load throughout the Zone for the remainder of the Operating Day. For the purposes of this filing, this ratio is termed the “DA Zonal Factor.” In other words, PJM uses the DA Zonal Factor specific to each load bus to determine the proxy for demand at the load bus by multiplying the total demand for the Zone submitted by the applicable Network Customer by the DA Zonal Factor. Thus, PJM uses this demand proxy at each load bus to clear the Day-ahead Energy Market and determine Day-ahead Prices, including Locational Marginal Pricing (“LMP”), and Day-ahead congestion, which is the basis for allocating revenues (positive or negative) to Financial Transmission Rights.

As noted, each of these Day-ahead market outcomes is based on a snapshot of demand as of 8:00 a.m. one week prior to the Operating Day.⁷ In contrast, demand in the Real-time Energy Market changes with the actual conditions experienced during the Operating Day.

⁶ Tariff, Part III, section 31.7(c)(i). Section 31.7(c)(ii) establishes similar provisions for the default distribution of Residual Metered load.

⁷ The Tariff also includes conditions that apply when the default distribution fails to accurately reflect the distribution of load for the Zone for the relevant electric distribution company for the Day-ahead Energy Market, and that, if such conditions are present, PJM will utilize the bus distribution from “the most recently available day of the week that the Operating Day falls on.” *See* Tariff, section 31.7(c)(i) (“Should the Office of the Interconnection experience technical limitations that would restrict the ability to obtain the State Estimator distribution of load for a Zone at 8:00 a.m. one week prior to the Operating Day or if the required data is not available, a State Estimator distribution of load from the most recently available day of the week that the Operating Day falls on will be used (i.e., if the Operating Day is Monday, the Office of the Interconnection will utilize the State Estimator distribution of load from the most recent Monday for which data is available”); *see also id.*, section 31.7(c)(ii) (same, except instead of State Estimator data, PJM will use data from real-time Residual Metered Load aggregate).

II. DESCRIPTION AND JUSTIFICATION FOR CHANGES.

A. *The Proposed Revisions Will Result in the Better Alignment of Day-ahead and Real-time Energy Markets.*

PJM proposes to update the DA Zonal Factor methodology used to clear the Day-ahead Energy Market from using factors based on a snapshot of load as of 8:00 a.m. to use factors that change with each hour within the Operating Day. Specifically, PJM proposes to revise section 31.7(c)(i) and (ii) such that the DA Zonal Factor will change for each hour based on a snapshot of “load for that Zone for the corresponding hour of the Operating Day one week prior.”⁸ This change to a more granular approach should better align the Day-ahead Energy Market with the Real-time Energy Market, bolstering the ability of the Day-ahead Energy Market to forecast real-time conditions.

To demonstrate how this new approach would work, consider the following example. Under the current rules, to clear the Day-ahead Energy Market for any given Wednesday, PJM would look at the Zonal load data in the Real-time Energy Market as of 8:00 a.m. on the Wednesday of the prior week. PJM would then use the same ratio of total Zonal load to bus to allocate Zonal load for each hour cleared in the Day-ahead Energy Market. Table 1 below provides a simplified example of how this may occur.⁹

⁸ Proposed Tariff, Part III, section 31.7(c)(i)

⁹ The tables included in this filing are simplified examples for illustrative purposes, and are not intended to be representative of actual market conditions.

Table 1

Hour	Ratio of bus to Zonal load Real-time (day one week prior Operating Day)	DA Zonal Factor used to clear Day-ahead (Operating Day)
01:00 – 07:00	0.025	.033
08:00	0.033	.033
9:00	0.030	.033
10:00	0.025	.033
11:00 – 24:00	0.027	.033

As is evident, the current methodology can result in the misalignment between the projected distribution of Zonal load at a given bus in the Day-ahead Energy Market and the actual percentage of zonal load in the Real-time Energy Market at that bus, at differing hours of the day. With DA Zonal Factors derived from a single market hour, the percentage of the zonal load attributed to each load bus will remain constant for all 24 hours. This does not best reflect forecasted load conditions. Some bus loads fluctuate with the Zonal demand while others may remain constant throughout the day. In recent years, the PJM region has seen an influx of new types of demand, such as data centers or behind the meter solar facilities, which can typically see a constant or non-conforming demand throughout the day. The individual bus demand in the Day-ahead Energy Market could become less reflective of what is happening in real-time.

Under the proposed rules PJM will still use a one-week lookback period, but it will focus on the corresponding operating hour in the Operating Day rather than solely looking at 8:00 a.m. and using the same ratio for all 24 hours. Table 2 below provides a simplified example of how this will work:

Table 2

Hour	Ratio of bus to Zonal load Real-time (day one week prior Operating Day)	DA Zonal Factor used to clear Day-ahead Status Quo	DA Zonal Factor used to clear Day-ahead Proposal
01:00 – 07:00	0.025	.033	0.025
08:00	0.033	.033	0.033
09:00	0.030	.033	0.030
10:00	0.025	.033	0.025
11:00 – 24:00	0.027	.033	0.027

It is clear that the proposed revisions will reduce the mismatch between the projected distribution of Zonal load in the Day-ahead Energy Market and the actual percentage of Zonal load in the Real-time Energy Market. Thereby, the proposed changes will better align the results in the Day-ahead and Real-time Energy Markets.

Finally, PJM has made conforming changes in Tariff, sections 37.1(c)(i) and (ii) to clarify that when it experiences technical issues that restrict its ability to obtain the necessary data from the Operating Day one week prior, PJM will use the State Estimator from the most recent Operating Day at 8:00 a.m. for which such data is available, and will use all hours from the same Operating Day as the replaced hour. Table 3 illustrates how this works, using dates for illustrative purposes only:

Table 3

Hour	Real-time (February 22, 2023)	Real-time (March 1, 2023)	Day-ahead Status Quo (March 8, 2023)	Day-ahead Proposal (March 8, 2023)
01:00 – 07:00	0.030	0.025	0.029	0.030
08:00	0.029	missing	0.029	0.029
9:00	0.025	0.030	0.029	0.025
10:00	0.033	0.025	0.029	0.033
11:00 – 24:00	0.030	0.027	0.029	0.030

This approach effectively allows PJM to obtain all of the necessary data from every hour of the Operating Day two weeks prior when data is missing from the one week prior. To be clear, it is rare for PJM to experience technical issues that would result in such missing data. This approach simply acts as a safeguard in the event there is hourly data that is missing from the prior week. PJM’s approach is an easy improvement over the status quo and is just and reasonable.

B. The Proposed Revisions Were Reviewed and Approved Through the Stakeholder Process.

The proposed revisions to Tariff, section 31.7(c) were reviewed and approved through the PJM stakeholder process. The Tariff revisions were subject to a first read of the Market Implementation Committee (“MIC”) on November 2, 2022 and first read of the Markets & Reliability Committee (“MRC”) on December 21, 2022. The revisions were endorsed by the MIC on December 7, 2022 by acclamation with no objections and no abstentions, and by the MRC on

January 25, 2023 also by acclamation with no objections or abstentions. The changes were approved by the Members Committee on February 23, 2023.¹⁰

III. REQUESTED EFFECTIVE DATE AND WAIVERS

As noted above, while PJM plans to implement these Tariff changes during the third quarter of 2023, time is required to make certain software and other system changes necessary to draw on data from throughout the Operating Day one week prior, and not just at 8:00 a.m. of that day. Accordingly, PJM is uncertain when this will be completed, but will work expeditiously to meet this timeframe.

However, to ensure that PJM is able to meet this objective and properly implement any approved changes, PJM respectfully requests that the Commission issue an order (1) accepting this filing by May 30, 2023 which is 60 days from the date of this filing,¹¹ (2) establishing an “indefinite” effective date of 12/31/9998 for the revised Tariff, Part III, section 37.1(c), and (3) directing PJM to submit a compliance filing with the Commission to establish the actual effective date once it is known. To the extent necessary, PJM respectfully requests waiver of the Commission’s prior notice requirement set forth in 18 C.F.R. § 35.3 in order to allow this effective date. The Commission has previously found it appropriate to grant waiver of the 120-day prior notice period to afford RTOs/ISOs sufficient time to construct and test necessary software changes.¹² PJM also requests any waivers of 18 C.F.R. § 35.15 to allow consideration of this filing.

¹⁰ PJM, Members Committee, Slides to the Day-ahead Zonal Load Bus Distribution Factors (Feb. 23, 2023), <https://www.pjm.com/-/media/committees-groups/committees/mc/2023/20230223/20230223-consent-agenda-c---1-da-zonal-factors---presentation.ashx>.

¹¹ PJM has assigned an effective date of May 30, 2023, to one eTariff record (Tariff, Part III, section 31.7) submitted with this filing (in metadata only) in order to effectuate Commission action by this date.

¹² See, e.g., *Sw. Power Pool, Inc.*, 141 FERC ¶ 61,048, at P 16 (2012) (“We find good cause to grant SPP’s request for waiver of the 120-day notice requirement in section 35.3 of the Commission’s regulations. It is reasonable for SPP

IV. DOCUMENTS ENCLOSED

In addition to this transmittal letter, PJM encloses the following:

1. Attachment A: Revised Tariff, section 31.7 (marked); and
2. Attachment B: Revised Tariff, section 31.7 (clean).

V. COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to, and

PJM requests the Secretary include on the official service list, the following:¹³

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to file the proposal early to permit the Commission sufficient time to address the filing so that SPP may complete the remaining work required for commencement of the new market.”); *Cal. Indep. Sys. Operator Corp.*, 136 FERC ¶ 61,236, at P 13 (2011) (“In sum, we shall accept the subject tariff records as just and reasonable, and find good cause to grant the CAISO’s request for waiver of section 35.3 of the Commission’s regulations to allow testing of the GMC revisions in advance of the tariff effective date of January 1, 2012.”); *PJM Interconnection, L.L.C.*, 134 FERC ¶ 61,246, at P 28 (2011) (“We find reasonable PJM’s explanation for the effective date it requests. Because the proposed revisions will require additional time to implement changes to PJM’s modeling software, good cause exists to grant the requested waiver.”).

¹³ To the extent necessary, PJM requests waiver of Rule 203(b)(3) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to permit all of the persons listed to be placed on the official service list for this proceeding.

VI. SERVICE

PJM has served a copy of this filing on all PJM Members and on the affected state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,¹⁴ PJM will post a copy of this filing to the FERC filings section on its internet site, <https://pjm.com/library/filing-order>, and will send an email on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region,¹⁵ alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within twenty-four hours of the filing.

¹⁴ *See id.* §§ 35.2(e) and 385.2010(f)(3).

¹⁵ PJM already maintains, updates, and regularly uses email lists for all PJM Members and affected state commissions.

VII. CONCLUSION

For the reasons stated above, PJM requests that the Commission accept the proposed revisions to Tariff, Section 31.7(c), to be effective as detailed herein.

Respectfully submitted,

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Attachment A

Revisions to the PJM Open Access Transmission Tariff

(Marked/Redline Format)

31.7 Establishing and Changing Network Load Energy Settlement Area Definitions:

(a) Prior to the 2015/2016 Planning Period, the Energy Settlement Area for a Network Customer's Network Load in a given electric distribution company's fully metered franchise area(s) or service territory(ies) shall be the aggregate load buses in a Zone, as defined in subsection (c) below, or, with respect to Non-Zone Network Load, to the border of the PJM Region, unless the Network Customer defines a more specific Energy Settlement Area in accordance with the procedures set forth in the PJM Manuals. Commencing with the 2015/2016 Planning Period, the Energy Settlement Area for a Network Customer's Network Load in a given electric distribution company's fully metered franchise area(s) or service territory(ies) shall be the aggregate load buses specifying the Residual Metered Load distribution for that franchise area(s) or service territory(ies), as defined in subsection (c) below, or with respect to Non-Zone Network Load to the border of the PJM Region, unless the Network Customer defines a more specific nodal Energy Settlement Area in accordance with the procedures set forth in the PJM Manuals.

(b) A Network Customer may change the definition of its existing Network Load Energy Settlement Area in accordance with the procedures set forth in the PJM Manuals and the Network Customer's existing rights under the Tariff. Notwithstanding any other relevant provision(s) of this Tariff, advance notice of any such change described in the PJM Manuals must be provided to the Transmission Provider and the effective date of such change shall coincide with the first day of a Planning Period, as defined in the Operating Agreement. If system upgrades are required to affect a Network Load Energy Settlement Area change, all required upgrades shall be completed prior to the requested effective date of the change; if all required system upgrades are not completed prior to the requested effective date, the effective date shall be the first day of the Planning Period that immediately follows completion of all system upgrades. A Network Customer may not change the definition of its existing Network Load Energy Settlement Area to a less specific Energy Settlement Area, except in circumstances where there has been a physical change to the relevant transmission system infrastructure, as set forth in the PJM Manuals, such that settlement according to the previously defined Energy Settlement Area is no longer possible.

(c) The distribution of load buses in an Energy Settlement Area for the determination of a Transmission Loss Charge and Transmission Congestion Charge per Tariff, Part I, section 5.1 and Tariff, Part I, section 5.4 are determined as follows.

- (i) *Zonal aggregate determination.* The default distribution of load buses for a Zone for the Day-ahead Energy Market is the State Estimator distribution of load for that Zone for the corresponding hour of the Operating Day one week prior at 8:00 a.m. one week prior to the Operating Day (i.e. if the Operating Day-Hour is Monday at 8:00 a.m., the default distribution is from 8:00 a.m. on Monday of the previous week). Should the Office of the Interconnection experience technical limitations that would restrict the ability to obtain the State Estimator distribution of load for a Zone for any hour of the operating day one week prior at 8:00 a.m. one week prior to the Operating Day or if the required data is not available, a State Estimator distribution of load from the most recently available day of the

week that the Operating Day falls on will be used (i.e., if the Operating ~~Hour Day~~ is Monday at 8:00 a.m., the Office of the Interconnection will utilize the State Estimator distribution of load from the most recent Monday at 8:00 a.m. for which data is available and will subsequently utilize all hours from the same Operating Day as the replaced hour). If the default distribution does not accurately reflect the distribution of load for the Zone for the relevant electric distribution company for the Day-ahead Energy Market, it may specify another more accurate distribution of load buses for the Zone in the Office of the Interconnection's internet-based software application. The distribution of load buses for a Zone for the Real-time Energy Market is the State Estimator distribution of load for that Zone for each hour during the Operating Day.

- (ii) *Residual Metered Load aggregate determination.* The default distribution of load buses for a Residual Metered Load aggregate for the Day-ahead Energy Market is the distribution of the real-time Residual Metered Load at each bus within the Residual Metered Load aggregate for the corresponding hour of the Operating Day one week prior at 8:00 a.m. one week prior to the Operating Day. Should the Office of the Interconnection experience technical limitations that would restrict the ability to obtain the bus distribution of the real-time Residual Metered Load aggregate for any hour of the operating day one week prior at 8:00 a.m. one week prior to the Operating Day or if the required data is not available, a distribution of the real-time Residual Metered Load aggregate from the most recently available day of the week that the Operating Day falls on will be used (i.e., if the Operating ~~Hour Day~~ is Monday at 8:00 a.m., the Office of the Interconnection will utilize the bus distribution of the real-time Residual Metered Load aggregate from the most recent Monday at 8:00 a.m. for which data is available and will subsequently utilize all hours from the same Operating Day as the replaced hour). The distribution of load buses for a Residual Metered Load aggregate for the Real-time Energy Market is the Residual Metered Load at each bus in the Residual Metered Load aggregate for each hour during the Operating Day. Residual Metered Load is determined by reducing the electric distribution company's revenue meter calculated load at each bus in its fully metered franchise area(s) or service territory(ies) as determined in Tariff, Part I, section 5.1.3(e)(i) and Tariff, Part I, section 5.4.3(e)(i) by the nodally priced load of other entities assigned to each load bus in the electric distribution company's fully metered franchise area(s) or service territory(ies) via hourly load contracts as specified in Tariff, Part I, section 5.1.3(e)(ii) and Tariff, Part I, section 5.4.3(e)(ii).
- (iii) *Nodal aggregate determination.* The distribution of load buses for nodal load in the Day-ahead Energy Market and Real-time Energy Market is determined by a fixed aggregate definition that represents the composition of the nodal load at a single identifiable bus or set of identifiable buses, as agreed upon by the Load Serving Entity responsible for the load and the electric distribution company in whose fully metered franchise area(s) or service territory(ies) the load is located, per the nodal pricing settlement rules defined in the PJM Manuals.

Attachment B

Revisions to the PJM Open Access Transmission Tariff

(Clean Format)

31.7 Establishing and Changing Network Load Energy Settlement Area Definitions:

(a) Prior to the 2015/2016 Planning Period, the Energy Settlement Area for a Network Customer's Network Load in a given electric distribution company's fully metered franchise area(s) or service territory(ies) shall be the aggregate load buses in a Zone, as defined in subsection (c) below, or, with respect to Non-Zone Network Load, to the border of the PJM Region, unless the Network Customer defines a more specific Energy Settlement Area in accordance with the procedures set forth in the PJM Manuals. Commencing with the 2015/2016 Planning Period, the Energy Settlement Area for a Network Customer's Network Load in a given electric distribution company's fully metered franchise area(s) or service territory(ies) shall be the aggregate load buses specifying the Residual Metered Load distribution for that franchise area(s) or service territory(ies), as defined in subsection (c) below, or with respect to Non-Zone Network Load to the border of the PJM Region, unless the Network Customer defines a more specific nodal Energy Settlement Area in accordance with the procedures set forth in the PJM Manuals.

(b) A Network Customer may change the definition of its existing Network Load Energy Settlement Area in accordance with the procedures set forth in the PJM Manuals and the Network Customer's existing rights under the Tariff. Notwithstanding any other relevant provision(s) of this Tariff, advance notice of any such change described in the PJM Manuals must be provided to the Transmission Provider and the effective date of such change shall coincide with the first day of a Planning Period, as defined in the Operating Agreement. If system upgrades are required to affect a Network Load Energy Settlement Area change, all required upgrades shall be completed prior to the requested effective date of the change; if all required system upgrades are not completed prior to the requested effective date, the effective date shall be the first day of the Planning Period that immediately follows completion of all system upgrades. A Network Customer may not change the definition of its existing Network Load Energy Settlement Area to a less specific Energy Settlement Area, except in circumstances where there has been a physical change to the relevant transmission system infrastructure, as set forth in the PJM Manuals, such that settlement according to the previously defined Energy Settlement Area is no longer possible.

(c) The distribution of load buses in an Energy Settlement Area for the determination of a Transmission Loss Charge and Transmission Congestion Charge per Tariff, Part I, section 5.1 and Tariff, Part I, section 5.4 are determined as follows.

- (i) *Zonal aggregate determination.* The default distribution of load buses for a Zone for the Day-ahead Energy Market is the State Estimator distribution of load for that Zone for the corresponding hour of the Operating Day one week prior (i.e. if the Operating Hour is Monday at 8:00 a.m., the default distribution is from 8:00 a.m. on Monday of the previous week). Should the Office of the Interconnection experience technical limitations that would restrict the ability to obtain the State Estimator distribution of load for a Zone for any hour of the operating day one week prior or if the required data is not available, a State Estimator distribution of load from the most recently available day of the week that the Operating Day falls on will be used (i.e., if the Operating Hour is Monday at 8:00 a.m., the Office of

the Interconnection will utilize the State Estimator distribution of load from the most recent Monday at 8:00 a.m. for which data is available and will subsequently utilize all hours from the same Operating Day as the replaced hour). If the default distribution does not accurately reflect the distribution of load for the Zone for the relevant electric distribution company for the Day-ahead Energy Market, it may specify another more accurate distribution of load buses for the Zone in the Office of the Interconnection's internet-based software application. The distribution of load buses for a Zone for the Real-time Energy Market is the State Estimator distribution of load for that Zone for each hour during the Operating Day.

- (ii) *Residual Metered Load aggregate determination.* The default distribution of load buses for a Residual Metered Load aggregate for the Day-ahead Energy Market is the distribution of the real-time Residual Metered Load at each bus within the Residual Metered Load aggregate for the corresponding hour of the Operating Day one week prior. Should the Office of the Interconnection experience technical limitations that would restrict the ability to obtain the bus distribution of the real-time Residual Metered Load aggregate for any hour of the operating day one week prior or if the required data is not available, a distribution of the real-time Residual Metered Load aggregate from the most recently available day of the week that the Operating Day falls on will be used (i.e., if the Operating Hour is Monday at 8:00 a.m., the Office of the Interconnection will utilize the bus distribution of the real-time Residual Metered Load aggregate from the most recent Monday at 8:00 a.m. for which data is available and will subsequently utilize all hours from the same Operating Day as the replaced hour). The distribution of load buses for a Residual Metered Load aggregate for the Real-time Energy Market is the Residual Metered Load at each bus in the Residual Metered Load aggregate for each hour during the Operating Day. Residual Metered Load is determined by reducing the electric distribution company's revenue meter calculated load at each bus in its fully metered franchise area(s) or service territory(ies) as determined in Tariff, Part I, section 5.1.3(e)(i) and Tariff, Part I, section 5.4.3(e)(i) by the nodally priced load of other entities assigned to each load bus in the electric distribution company's fully metered franchise area(s) or service territory(ies) via hourly load contracts as specified in Tariff, Part I, section 5.1.3(e)(ii) and Tariff, Part I, section 5.4.3(e)(ii).
- (iii) *Nodal aggregate determination.* The distribution of load buses for nodal load in the Day-ahead Energy Market and Real-time Energy Market is determined by a fixed aggregate definition that represents the composition of the nodal load at a single identifiable bus or set of identifiable buses, as agreed upon by the Load Serving Entity responsible for the load and the electric distribution company in whose fully metered franchise area(s) or service territory(ies) the load is located, per the nodal pricing settlement rules defined in the PJM Manuals.