

Not Willing to Pay Congestion Transactions

MIC

December 7, 2010

Joseph Bowring

John Dadourian



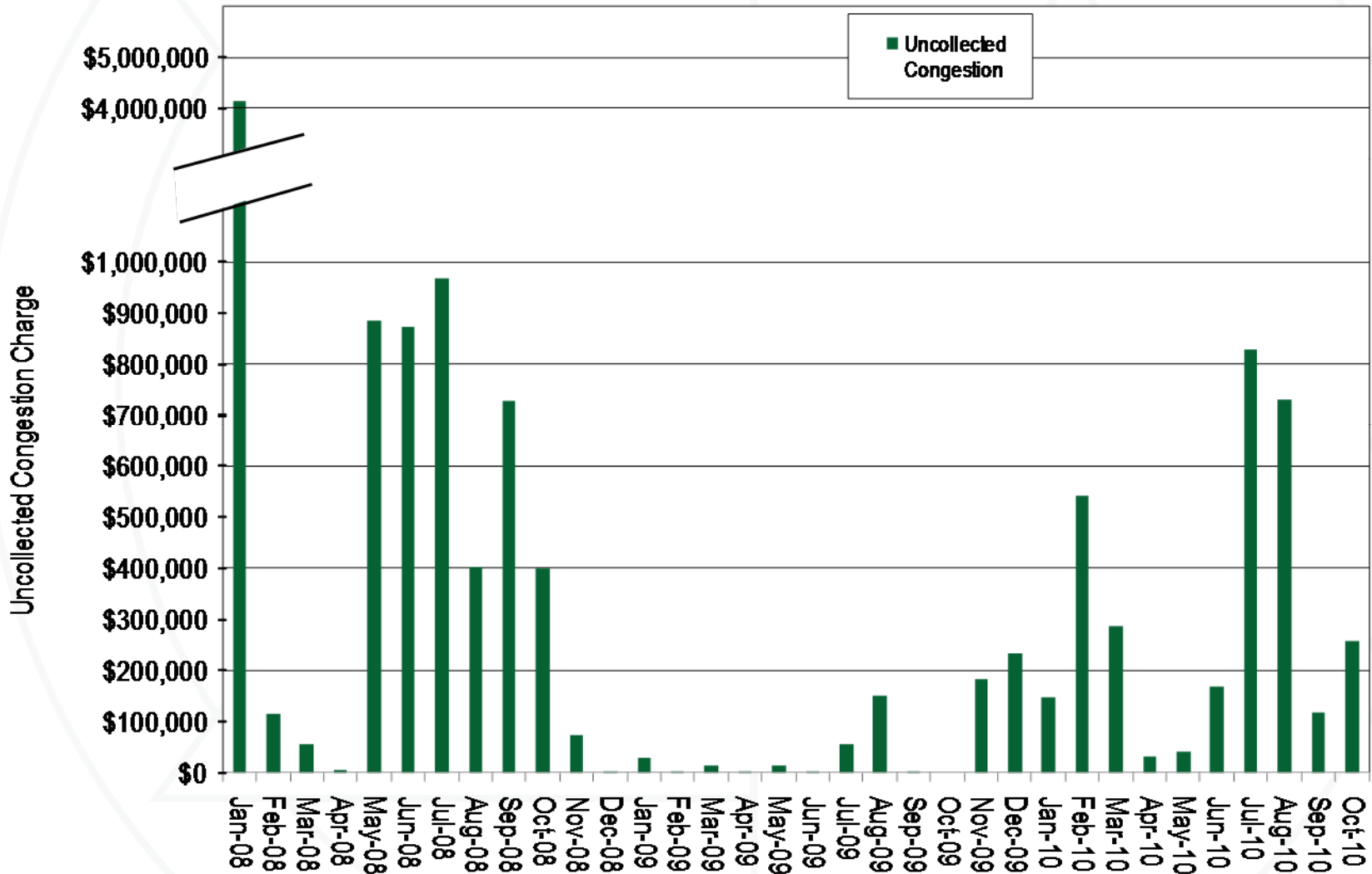
Monitoring Analytics

Issue

- **From January 1, through October 2010, Not Willing to Pay Congestion (NPC) transactions have accrued \$3.2 Million in uncollected congestion charges.**
- **These dollars would have been available to fund FTRs.**
- **Selection of internal sources and sinks for such transactions do not reflect actual energy flows.**



Uncollected Congestion Charges



Discussion

- **Recent EES Modifications – September 2010**
 - **Analyzes transaction with 20 minutes notice to determine if congestion is present.**
 - **If so, the transaction is curtailed prior to start**
 - **If not, the transaction is loaded**
 - **Real-Time monitoring for congestion**
 - **If congestion occurs, the transaction is curtailed at next interval**
 - **Congestion charges are not paid for this period that the transaction is loaded**
 - **If no congestion occurs, the transaction continues to flow**



IMM Suggestions

- **Charge congestion for intervals while loaded**
 - EES is now optimized to limit the intervals
- **Require source and sink for real-time external transactions to be submitted only at PJM interfaces**
 - No effect on settlements as congestion moves from explicit to implicit
- **Both charge for congestion and allow only transactions at interfaces**
 - Captures wheeling NPC transactions
- **Eliminate NPC product all together**
 - Market participants have the means to monitor and curtail their own transactions in a timely manner

Next Steps

- **Provide additional details on suggestions at next MIC.**
- **Stakeholder vote at next MIC for resolution.**



Monitoring Analytics, LLC
2621 Van Buren Avenue
Suite 160
Eagleville, PA
19403

(610) 271-8050

MA@monitoringanalytics.com

www.MonitoringAnalytics.com

