

Not Willing to Pay Congestion Transactions

MRC

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Issues

- **From January 1, 2008, through December 31, 2010, Not Willing to Pay Congestion (NPC) transactions have accrued \$12.7 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.**



Approved Solution from MIC

- **Require source and sink for real-time external transactions to be submitted only at PJM interfaces**
 - **Addresses import and export transactions**
 - **Addresses majority of issues regardless of FERC acceptance of tariff changes to charge for congestion under NPC transmission**
- **Charge congestion for intervals while loaded**
 - **Addresses wheeling transactions**



Implementation Options

- **Monitoring Analytics and PJM worked together to determine the business rules necessary to implement the approved solution. Two possible business rule solutions were:**
 - **Eliminate Internal Buses for Fixed and Dispatchable Day-Ahead Market Transactions**
 - **Keep Internal Buses for Fixed and Dispatchable Day-Ahead Market Transactions**
 - **Require separate transmission reservations for the Day-Ahead and Real-Time Markets; or**
 - **Make tool modifications to allow downstream tools to see the appropriate data**



Implementation Options

- **Eliminate Internal Buses for Fixed and Dispatchable Day-Ahead Transactions**
 - **Easiest and fastest implementation**
 - **No effect on Day-Ahead unit commitment or dispatch as they are already modeled at the interface**
 - **Allows for consistency between Day-Ahead and Real-Time Market transmission reservations**
 - **Only requires data changes on OASIS, no other tools would need to be modified**
 - **Not proposing to eliminate internal nodes for Up-To Congestion transactions**



Implementation Options

- **Keep Internal Buses for Fixed and Dispatchable Day-Ahead Transactions**
 - **Require separate transmission reservations for the Day-Ahead and Real-Time Markets**
 - **Day-Ahead reservation with internal buses and Real-Time reservation without internal buses**
 - **Requires separate products to be created on the OASIS**
 - **Requires two reservations, and two charges**
 - **Affects on ATC for reserving DA transmission**
 - **Make tool modifications to allow downstream tools to see the appropriate data**
 - **EES**
 - **eMKT**
 - **Market Settlements**



Recommendation

- **Both PJM and Monitoring Analytics have reviewed the potential business rules, and believe that eliminating internal buses for fixed and dispatchable transactions in the Day-Ahead Market is the best approach.**



Effects of Eliminating Internal Sources and Sinks

Product	NPC Eligible	Affects of Eliminating Internal Sources and Sinks
Real-Time:		
"Normal" Transactions	Yes	No affect on congestion charges, only moves charges from explicit to implicit billing line item
Dispatchable Transactions		
Day-Ahead:		
Fixed Transaction	No	No affect on the Day-Ahead Market evaluation (treated as injection/withdrawal at border)
Dispatchable Transactions		No affect on congestion charges, only moves charges from explicit to implicit billing line item
Up-to Congestion Transactions		NOT PROPOSING TO ELIMINATE INTERNAL SOURCES AND SINKS FOR UP-TO CONGESTION TRANSACTIONS

Next Steps

- **To implement elimination of internal sources and sinks**
 - **Obtain endorsement from MIC – April 12 **Done****
 - **Obtain endorsement from MRC – April 27th **Today****
 - **Modify OASIS to reflect interfaces only – 2Q 2011**
- **To implement the charge for congestion during intervals while loaded**
 - **Obtain endorsement from MIC – Done in January**
 - **Obtain endorsement from MRC – April 27th**
 - **Determine Tariff modifications**
 - **Obtain endorsement from MC – May 19th**
 - **File Tariff changes with FERC**

Endorsement

- **The MRC has only approved the elimination of internal buses for Real-Time Market transactions, and thus must approve the recommendation to extend this rule to the Day-Ahead Market (for fixed and dispatchable only) in order to implement.**



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