

CT Lost Opportunity Cost forced outage review process

PJM will be implementing a new CT Lost Opportunity Cost (LOC) process effective January 1, 2016. The process ensures PJM does not credit Market Sellers with CT LOC during hours in which their generation resources cleared in the Day-ahead Energy Market but were unavailable to operate in real-time because the Market Sellers did not indicate in eMKT/Markets Gateway that their resources were on a forced outage during the Operating Day in question. Generation resources that are on forced outages in real-time are not eligible to receive LOC credits.

PJM will review eGADs outage data to verify billed CT LOC credits. Required adjustments are processed on a 4-month delay. For example, January 2016 adjustments are issued in the May 2016 monthly billing statement.

A new MSRS report entitled CT Lost Opportunity Cost Forfeiture will be available by the 5th business day of the month that is 3 months after the original billing month. For example, the report for January 2016 will be available by April 8th, 2016. This new report displays Operating Reserve Lost Opportunity Cost Credits originally awarded to a CT unit and subject to the billing adjustment due to the unit being on a forced outage. Participants have 15 calendar days after the 5th business day to submit discrepancies to PJM. Supporting documentation should be emailed to the Market Settlements department at mrkt_settlement_ops@pjm.com. PJM will respond to member submitted discrepancies within 10 business days. If discrepancies are not reported, PJM will proceed with the billing adjustment for the days and hours listed in the CT Lost Opportunity Cost Forfeiture MSRS report.

Additionally, the proposed timeline for the remaining retroactive 2015 billing adjustments is as follows:

Proposed Timeline

- April, May, and June 2015 billing adjustments: PJM will produce the CT LOC Forfeiture report for these months by the 5th business day of February. Members will have 15 calendar days after the 5th business day to submit discrepancies to PJM. PJM will respond to member submitted discrepancies within 10 business days. PJM will process the billing adjustments for April – June 2015 in the March 2016 monthly billing statement.
- July, August, and September 2015 billing adjustments: PJM will produce the CT LOC Forfeiture report for these months by the 5th business day of March. Members will have 15 calendar days after the 5th business day to submit discrepancies to PJM. PJM will respond to member submitted discrepancies within 10 business days. PJM will process the billing adjustments for July – September 2015 in the April 2016 monthly billing statement.
- October, November, and December 2015 billing adjustments: PJM will produce the CT LOC Forfeiture report for these months by the 5th business day of April. Members will have 15 calendar days after the 5th business day to submit discrepancies to PJM. PJM will respond to member submitted discrepancies within 10 business days. PJM will process the billing adjustments for October – December 2015 in the May 2016 monthly billing statement.

The adjustment for the retroactive billing adjustments and the new CT LOC review process will be reflected the Balancing Operating Reserve Credit line item (BLI ID 2375). The allocation of CT LOC

credits are based on RTO-wide Balancing Operating Reserve deviations. Parties with these deviations on the applicable day would receive a credit due to the billing adjustment.