



# FERC EL05-121-009 Settlement Agreement

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September 22, 2016

- The following are assumptions to create a settlement example
  - FERC approves the settlement agreement on September 10, 2016
  - PJM agrees to begin billing the settlement agreement in the September bill issued on October 7
- Settlement Example
  - Consider a single project billed at \$12,000,000 / year or \$1,000,000 / month
  - Charges are allocated to 5 zones



# Current Transmission Enhancement Charges (BLI 1108)

- Monthly charge allocation – January through August 2016
  - Charges allocated on Load Ratio Share basis

<b>Project ABC</b>	<b>Zone A</b>	<b>Zone B</b>	<b>Zone C</b>	<b>Zone D</b>	<b>Zone E</b>
	20%	10%	30%	25%	15%
\$1,000,000	\$200,000	\$100,000	\$300,000	\$250,000	\$150,000



# Current Recovery Charges for Covered Transmission Enhancement Projects

- Effective September 2016

<b>Project ABC</b>		<b>Zone A</b>	<b>Zone B</b>	<b>Zone C</b>	<b>Zone D</b>	<b>Zone E</b>
	LRS	20%	10%	30%	25%	15%
		\$100,000	\$50,000	\$150,000	\$125,000	\$75,000
\$1,000,000	DFAX	20%	25%	5%	30%	20%
		\$100,000	\$125,000	\$25,000	\$150,000	\$100,000
	Total	\$200,000	\$175,000	\$175,000	\$275,000	\$175,000

- Aggregate differences plus interest between January 1, 2016 and the Implementation Date issued as monthly charges or credits
- Monthly charges or credits are equal to the total aggregate difference divided by the fewer of 12 or the number of months between January 1, 2016 and the Implementation Date
- In our example, the number of months is 8. January through August.



# Current Recovery Charges for Covered Transmission Enhancement Projects

- The aggregate difference plus interest for January through August 2016 will be billed on a monthly basis starting September 2016 through April 2017 as an adjustment to BLI 1108.

	<b>Zone A</b>	<b>Zone B</b>	<b>Zone C</b>	<b>Zone D</b>	<b>Zone E</b>
Original	\$200,000	\$100,000	\$300,000	\$250,000	\$150,000
FERC Settlement	\$200,000	\$175,000	\$175,000	\$275,000	\$175,000
Difference	-	\$75,000	(\$125,000)	\$25,000	\$25,000

- Also referred to as the “Black Box” settlement
- Effective January 1, 2016 through December 31, 2025
- Monthly charges and credits are contained in Schedule 12-C Appendix C
- New Billing Line Item created – BLI 1115

- Using the settlement example:
  - Normal billing for BLI 1115 will begin in the September 2016 bill
  - Charges and credits plus interest for January through August 2016 will be billed on a monthly basis starting September 2016 through April 2017.



## 5 Report Columns

The following columns will appear in the body of the report:

Online and CSV Column Name	XML Column Name	Column Number	Data Type
Customer ID	CUSTOMER_ID	4000.01	INTEGER
Customer Code	CUSTOMER_CODE	4000.02	VARCHAR2(6)
Month	MONTH	4000.03	DATE (Month, YYYY (ex. January, 2007) in online and CSV formats, YYYY-MM in XML format)
Responsible Zone	RESPONSIBLE_ZONE	4001.29	VARCHAR2(50)
Total Monthly TEC Adjustments (\$)	TOT_MON_TEC_ADJUST	1115.11	NUMBER(22,2)
Total Monthly TEC Interest Amount (\$)	TOT_MON_TEC_INTEREST	1115.12	NUMBER(22,2)
Responsible Zone NSPL (MW-days)	RESPONSIBLE_ZONE_NSPL	1115.13	NUMBER
Total Responsible Zone NSPL (MW-days)	TOT_RESPONSIBLE_ZONE_NSPL	1115.14	NUMBER
Transmission Enhancement Settlement (EL05-121-009) Charge (\$)	TRANS_ENHANCE_EL05_CH	1115.01	NUMBER(22,2)
Version	VERSION	4000.07	VARCHAR2(12)

Note: If the monthly adjustment is for a merchant transmission facility (MTF), there will be no values for Responsible Zone, Responsible Zone NSPL or Total Responsible Zone NSPL on the report. The customer account will be solely responsible for the adjustment amount.

Transmission Enhancement Settlement (EL05-121-009) Charge (1115.01) = (Total Monthly TEC Adjustments (1115.11) + Total Monthly TEC Interest Amount (1115.12)) \* [Responsible Zone NSPL (1115.13) / Total Responsible Zone NSPL (1115.14)]

If the monthly adjustment is for a merchant transmission facility (MTF):

Transmission Enhancement Settlement (EL05-121-009) Charge (1115.01) = Total Monthly TEC Adjustments (1115.11) + Total Monthly TEC Interest Amount (1115.12)