

3.7 Residual Metered Load Aggregate Definitions

Residual Metered Load aggregates more accurately reflect the composition of non-nodal priced load in fully metered EDC territories. Effective June 1 2015, Residual Metered Load aggregates are the default for which real-time load is settled if it has not elected to settle at a nodal load aggregate. Upon implementation of residual metered load pricing on June 1 2015, physical zone pricing for real-time load will no longer be available.

Hourly Residual Metered Load aggregate distribution factors are determined by dividing the residual metered load for each bus in the fully metered EDC territory by the total residual metered load for the fully metered EDC territory. Residual Metered Load aggregate prices are defined by weighting each load bus LMP by that bus' residual metered load aggregate distribution factor. For the majority of PJM transmission zones, the EDC territory is the same as the physical transmission zone. In cases where the fully metered EDC's territory differs from the physical transmission zone, residual metered load aggregates exist for each fully metered EDC territory within the transmission zone. Residual Metered Load aggregate congestion prices, loss prices, and total LMPs are calculated using the Residual Metered Load aggregate distribution factors. Factors for each Residual Metered Load aggregate sum to exactly 100%.

Hourly Residual Metered Load aggregate definitions used for the calculation of Day-ahead LMPs, preliminary and final real-time LMPs, and FTRs/ARRs are defined as follows:

- Day-ahead Residual Metered Load aggregate distribution factors default to the final real-time distribution factors for the Residual Metered Load aggregate for each corresponding hour of the Operating Day one week prior at 8:00 a.m. one week prior to the Operating Day (i.e., if next Operating 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). ~~Consistent with physical transmission zones, the definition applies to all hours in the day.~~
- Preliminary 5 minute real-time Residual Metered Load aggregate LMPs are calculated using the same Residual Metered Load aggregate distribution factors as used in the Day-ahead Energy Market for the Operating Day.
- Final hourly real-time Residual Metered Load aggregate distribution factors are calculated using InSchedule-submitted nodal load MWh.
- Residual Metered Load aggregate distribution factors for ARR/FTR purposes are fixed for the planning period (June 1st – May 31st). Consistent with physical transmission zones, the residual metered load aggregate distributions for FTRs/ARRs are initially determined using the hourly individual residual load bus contribution to the total residual load at the time of the previous year's PJM annual peak. Per the nodal pricing rules in PJM Manual 27: Open Access Transmission Tariff Accounting, Sections 5.6 and 5.7, where there are new nodal load requests, the initial residual metered load aggregate definition for FTRs/ARRs are adjusted by the LSE's nodal load peak distribution. LSEs PJM Manual 28: Operating Agreement Accounting Section 3: Spot Market Energy Accounting Revision: 88, Effective Date: 10/01/2022 PJM © 2022 27 moving to nodal load settlement for the upcoming PJM planning year will be required to submit a peak load at the time of the PJM annual peak from the previous year. This value in

conjunction with the distribution percentages currently required according to the nodal pricing rules will be used to determine the final residual metered load aggregate distribution.