

Interface Pricing

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Action Required	Deadline	Who May Be Affected
<p>Review edits to OATT Attachment K – Appendix, Section 2.6A revisions and associated OA section 2.6A</p> 	<p>11/21/2024</p> 	<p>All Market Participants</p> 

- Removal of OATT and OA language associated with the High/Low and Marginal Cost Proxy Interface Pricing methodologies

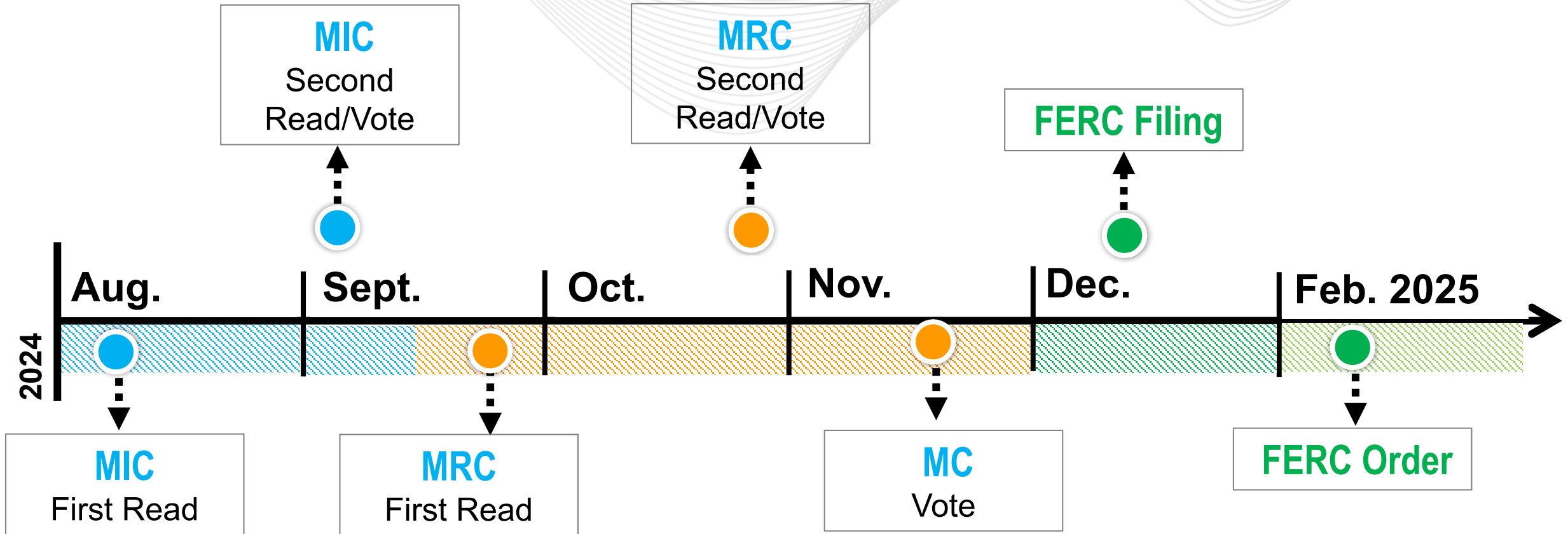
OATT Attachment K – Appendix Section 2.6A &
OA Section 2.6A

- Original FERC filing (ER09-369-000) submitted on December 2, 2008:
 - Submitted after Stakeholder process was completed
- Final FERC approval received on March 2, 2009 establishing two additional Interface Pricing options for use with non-Market neighbors:
 - High/Low
 - Marginal Cost Proxy

- Progress Energy (Duke Energy Progress) worked with PJM to establish a Dynamic Interface:
 - Marginal Cost Proxy option leveraged
 - Required Congestion Management Agreement memorialized in the Progress Energy/PJM JOA
- Duke Energy Progress (formerly Progress Energy) notified PJM of their intent to unwind the Dynamic Interface:
 - Removed in July 2019
 - The FERC approved removal of the Congestion Management process from the Duke Energy Progress/PJM JOA in July 2019
- Since that time, there have not been any request from non-Market entities to leverage the Interface Pricing options

- OATT and OA updates would remove the High/Low and Marginal Cost Proxy methods:
 - Leaves the currently used nodal aggregate pricing approach
 - Includes the following active Interface Pricing points:
 - South
 - MISO
 - NYISO
 - IMO
- PJM added this approach to M-11, Section 2.20 as endorsed by Stakeholder earlier this year.
- The existing Interface Pricing process provides sufficient signals for energy transfers:
 - Analysis was performed prior to removing interfaces using the High/Low process
 - Resultant pricing was very close to pricing on the South Interface

1	2	3
<p>Currently three methods for Interface Pricing in the OATT and OA</p>	<p>Two are specific to non-Market entities, High/Low and Marginal Cost Proxy</p>	<p>High/Low and Marginal Cost Proxy are no longer used and can be removed from the OATT and OA</p>



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Appendix

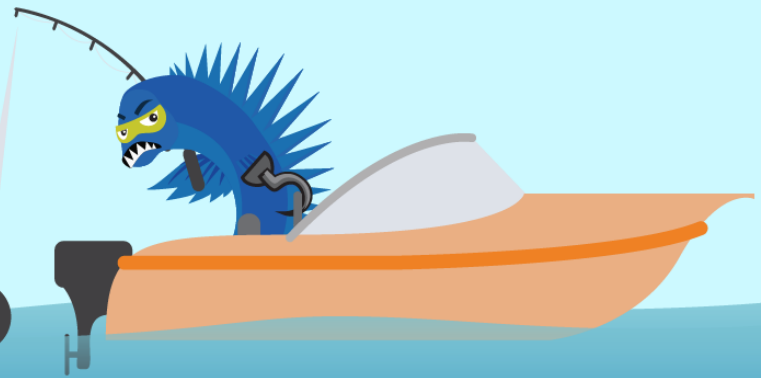
Acronym	Term & Definition
OATT	Open Access Transmission Tariff
OA	Operating Agreement
JOA	Joint Operating Agreement

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