



Manual 27 Revisions: 9-PSI Rate per Settlement Approval

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Markets and Reliability Committee

January 25, 2023

- On December 1, 2021, FERC Order issued in ER22-26, which accepted the revisions, but are subject to settlement proceedings
- New formula methodology was effective January 1, 2022 for Schedules 9-1 through 9-4 and 9-PSI
- Settlement agreement filed on March 31, 2022
- FERC approved ER22-26 in full on November 9, 2022
- Effective date of settlement agreement is February 1, 2023
 - Refunds back to January 1, 2022 are not applicable
 - Modifications to 9-PJM Settlement rate only

January 1, 2022

- Formula Rate
- Rate = Actual Monthly Costs / Number of invoices in each month
- Charge = Rate * number of invoices issued in a month to each account

February 1,
2023

- Formula Rate
- Rate, Component 1 = (Actual Monthly Costs * 0.68) / Number of invoices in each month
- Charge, Component 1 = Rate * number of invoices issued in a month to each account
- Rate, Component 2 = (Actual Monthly Costs * 0.32) and then broken into six different sub-rates
- Charge, Component 2 = applied using Schedule 9-1 through Schedule 9-4 determinants



9-PJM Settlement Summary

	Component 1	Component 2a (Schedule 9-1)	Component 2b (Schedule 9-2, Component 1)	Component 2c (Schedule 9-2, Component 2)	Component 2d (Schedule 9-3, Component 1)	Component 2e (Schedule 9-3, Component 2)	Component 2f (Schedule 9-4)
Rate Numerator	PSI Actual Costs * 0.68	PSI Actual Costs * 0.32 * 0.25	PSI Actual Costs * 0.32 * 0.25 * 0.6	PSI Actual Costs * 0.32 * 0.25 * 0.4	PSI Actual Costs * 0.32 * 0.25 * 0.987	PSI Actual Costs * 0.32 * 0.25 * 0.013	PSI Actual Costs * 0.32 * 0.25
Rate Denominator	Total invoices issued in that month	Sum of Transmission Customer's actual hourly transmission use during the month (MWh)	Sum of FTR holder's hourly FTR MWh for each hour of month that FTR is in effect	Total number of hours associated with all bids to buy FTR Obligations + (5 * number of hours associated with all bids to buy FTR Options)	Total MWhs from Transmission Customers, Generation Providers using PJM transmission system and accepted sell offer/buy bids	Total number of bid/offer segments submitted by all Market Participant	Sum of LSEs monthly Accounted-for Obligations during the month (including FRRs) and Capacity Resource Owner's Unforced Capacity (MWd)
Charge Usage	Customer's total invoices issued in that month	Customer's Total Transmission Use for Month	Total FTR MWh	Number of hours in all bids to buy FTR Obligations + (5 * number of hours in all bids to buy FTR Options)	Transmission Customer MWh Usage + Generation Provider MWh Usage + Market Participant cleared bid/offer MWh	Market Participant's Day-ahead Energy Market Bid/Offer Segments (including rebidding period)	LSE = Total Daily Unforced Capacity Obligation Capacity Resources = Unforced Capacity MWhs
Recon	No	Yes	No	No	Yes	No	No

- 2.2.1.5: 9-PJMSettlement Inc
 - Updated language from FERC Order ER22-26 Settlement approval to describe the rate calculation as of January 1, 2023
 - Rate is broken into two components
 - Per Invoice
 - Schedule 9-1, 9-2, 9-3 and 9-4
 - Members are charged the sum of the two components on the monthly billing statement

- 2.5: Reconciliation
 - Updated to recognize the two sub-parts of component two for 9-PJMSettlement and where reconciliation is applied

	MIC	MRC
First Read	1-11-2023	1-25-2023
Endorsement	2-8-2023	2-23-2023

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**PJM 9-PSI Settlement Approval - Manual 27
conforming changes**



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