

Zonal vs. Nodal Load Bidding

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- **Residual Zone (Residual Metered Load aggregates)**
 - An aggregate containing all load buses in the fully metered EDC territory, minus all load that has been designated to be priced at a specific non-zonal (or nodal) location
- **Residual Metered Load Pricing approved for implementation on 6/1/2015**
 - Use of the Residual Metered Load aggregate LMP rather than the physical zone LMP for pricing Real-Time load
 - All non-nodal load in the zone will be priced at the same pricing point
 - Nodal load will continue to be priced at the applicable nodal pricing point
 - No opt out provisions

- Loads that elect Nodal Pricing must:
 - Provide advanced notification, up to 8 months of lead time, of request to move to nodal pricing
 - Ensure hourly metering is available that clearly separates the customer's load from other load on the identified bus or buses
- Qualifying loads move to nodal price load settlement on June 1 of each year to coincide with the PJM planning year
- Election of nodal settlement is permanent unless the physical interconnection infrastructure changes or there is intervention order by FERC
- See Manual 27, Sections 5.6 and 5.7 for business rules

- Effective 6/1/2015, Day-Ahead Demand Bids were only be permitted at nodal or residual aggregates
 - All participants who had access to submit fixed or price sensitive demand bids at a zonal location were automatically given access to submit at the corresponding residual aggregate.



Residual Zone vs. Nodal MWh Priced Load by EDC (May 2016 Sample)

Metered EDC	Residual Zone-Priced Load %	Nodal-Priced Load %
Atlantic Electric	93.2%	6.9%
AEP OHIO	97.2%	2.8%
AEP APCO	95.5%	4.5%
AEP I&M	94.2%	5.8%
Allegheny Power	98.2%	1.8%
ComEd	96.6%	3.4%
Delmarva	65.0%	35.0%
Duke Ohio	82.9%	17.1%
MetEd	99.6%	0.4%
ATSI-Ohio	90.2%	9.8%
Penelec	99.2%	0.8%
Penn Power	96.6%	3.4%
PEPCO	0%	100%
PPL	98.9%	1.1%
PSEG	99.6%	0.4%
Total PJM	92.4%	7.6%

Note: All other PJM EDCs have all of their load priced at the Residual Aggregate LMP