



Primary Frequency Response Cost Allocation Proposal



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Payment and Cost allocation similar to Schedule 2 Reactive Supply

- Each month, the Transmission Provider shall pay each Generation Owner or other source owner an amount equal to the Generation Owner's or other source owner's monthly revenue requirement as accepted or approved by the Commission
- The Generation Owner or other source owner must submit the informational filing in the docket in which its cost-based revenue requirement was approved or accepted by the Commission or as otherwise directed by the Commission
- PJM will perform resource specific annual service performance monitoring

The informational filing should include the following information or as requested by the commission:

Examples:

- A list of all of the generators or other sources covered by the Generation Owner's or other source owner's cost-based tariff (ie: Unrecovered Capital Cost, O&M etc..) from the date the revenue requirement was first established until the date of the informational filing
- The type (i.e., fuel type and prime mover) of each generator or other source
- The control system (governor/inverter) deadband and droop settings, megawatt capability of each generator or other source

Purchasers of Primary Frequency Response from Generation or Other Sources Service shall be charged for such service in accordance with the following formula

Monthly Charge for a purchaser receiving Network Integration Transmission Service or Point-to-Point Transmission Service to serve Load = *Allocation Factor * Total Generation Owner or other source owner Monthly Revenue Requirement*

- Allocation Factor is the monthly transmission use and network service peak load of each Network Customer or Transmission Customer on a megawatt basis divided by the total transmission use and network service peak load in the PJM Region, as applicable, on a megawatt basis
- Total Generation Owner or other source owner Monthly Revenue Requirement is the sum of the Zonal Generation or other source owner Monthly Revenue Requirements for all Zones in the PJM Region