

## Merchant Transmission Facilities

### Curtailement and Reload Procedures during Unusual Operating Events

Revision Date: 03/27/2013

#### **Applicability:**

These procedures are applicable to the Neptune, Linden VFT and Hudson Transmission Project merchant transmission facilities. This procedure is intended to supplement the applicable tariff requirements and business practices by providing further details for managing the flow on the merchant facilities during certain restrictive operating conditions.

#### **PJM Curtailments:**

The curtailment or interruption of schedule processes associated with the Neptune, Linden VFT and Hudson Transmission Project merchant facilities are described in section 4.5 of their respective tariff schedules. These processes state that in the event that a curtailment or interruption of schedules is required to maintain reliable operation of the line and the systems directly and indirectly interconnected with the line, any such curtailment or interruption implemented by the Transmission Provider shall be based upon the priority of the associated reservations. Curtailment or interruptions of schedules based on Firm reservations will be performed by PJM Dispatch on a pro rata basis. Curtailment or interruptions of schedules based on Non-Firm reservations shall first be based on the reservation classification (i.e., Monthly, Weekly, Daily, Hourly) with the longer term of Non-Firm reservation receiving priority. In the case of a tie within the Non-Firm reservation classifications, the time stamp order of the submission of valid bids/offers to schedule service over the line shall be used as a tiebreaker.

#### PJM Actions:

- Curtailment of FIRM schedule by PJM dispatch within the TMS system should be limited to current shift. This would compel a review of curtailment and reason for curtailment at each change of shift.
- PJM dispatch will notify NYISO and the affected participant(s) of the PJM-initiated curtailments of Firm service.
- PJM and NYISO operations will verify FIRM curtailments every hour.

### **NYISO Economic and Technical Bulletin Curtailment Procedures:**

- The NYISO does an economic evaluation on each transaction and will schedule transactions based on the economics of the transaction.
- During TLRs issued by external RC's NYISO follows Technical Bulletin #183.

### **PJM TLR and Local Curtailment Procedures:**

PJM operates consistent with the NERC standards and NAESB business practices. Should a localized operating condition occur that would be most effectively relieved based on specific Merchant Facility path reservations, PJM will curtail such transactions using TLR or local procedures to maintain reliable system operations and to limit market impact of less effective control solutions associated with other paths. PJM will provide transparency by updating the ATC associated with the Merchant 'out service' path as outlined below.

### **PJM Reloading:**

Reasonable efforts will be made to reload Firm transactions due to curtailments or interruptions of service on a pro-rata basis and of Non-Firm reservations based on priority.

PJM Actions:

- PJM dispatch will notify NYISO and participant of reload.

### **PJM ATC Process and Scheduling:**

To increase transparency related to transfer capability, PJM has developed a process to include operational input into the ATC evaluation for Merchant Facilities under certain conditions. The default ATC values posted on the PJM OASIS are based on the FIRM transmission withdrawal rights associated with the facility interconnection. In the event that an unusual PJM system condition requires that curtailments are needed to maintain reliable operations, PJM may update the ATC as described in this section.

The Reliability Engineering Department (RED) will perform studies then may contact the Transmission Service Department (TSD) and NYISO to provide a transfer value to be used as an override for the ATC 'out-service' path. The RED may also provide an estimated duration of the event so that the ATC values can be restored to the 'firm rights' value as system conditions allow.

TSD will use reasonable efforts to revise the ATC value by noon the next business day and post a notification on the OASIS. The override value may be used for daily, weekly, or monthly service depending on expected duration of operating event.

As outlined above in the Curtailments section, existing schedules shall be reduced by PJM dispatch on a pro-rata basis. TSD may coordinate with the rights holders to adjust existing future schedules and reservations. In addition, TSD may post a notification on OASIS to alert the rights holders that ATC is reduced due to an unusual system event using the template below. Rights holders must reduce the amount of any new future reservation and schedule consistent with the new ATC value.

Proposed OASIS notification template:

During the period [month xx, 20xx, xxxx] to [month xx, 20xx, xxxx] ATC on the XXXXXX path is reduced by XX percent below normal capacity. Rights holders may only reserve up to XX percent, rounded down to nearest MW, of their firm rights during this period.

PJM Actions:

- RED may notify TSD and NYISO of override ATC value and expected duration
- TSD to reduce ATC value accordingly
- TSD to post notice on OASIS so that participants will reduce future reservations

Participant Actions:

- Market Participants will limit their future reservations and schedules to their share of the posted ATC value
- Note: PJM cannot reduce the amount of an existing monthly or weekly reservation part way through the time period. Adjustments will be made only to schedules.

### **Follow-up, Escalation and Contact Information:**

If there are concerns with curtailments in real-time, market participants should contact the PJM Master Coordinator at 610-666-8809.

If follow-up discussions are required or there are questions related to an event, transmission service or ATC, participants can contact the Manager of Dispatch, Chris Pulong, at 610-666-8917 or the Manager of Transmission Services, Rich Souder, at 610-666-8816.

If there are concerns with curtailments in real time, market participants should contact NYISO Stakeholder services at 518-365-6060 or the NYISO Real time interchange desk at 518-356-7540.