

Interchange Cap Business Rules

MRC

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Monitoring Analytics



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Additional Market Rules

- **Parallel rules should apply to the interchange cap as are applied to ramp limits with regards to hoarding and manipulation.**
- **Details associated with scheduling issues are captured in the PJM/IMM Joint Statement on Interchange Scheduling located at the following link. A new section was added to the Regional Practices document to address other MA concerns.**
 - <http://www.pjm.com/~media/documents/reports/20140729-pjm-imm-joint-statement-on-interchange-scheduling.ashx>
- **Price taking transactions cannot be withdrawn and replaced by real-time with price schedules of the same company or affiliate after the interchange cap is set.**
- **Real-Time with Price transactions are submitted by 18:00 day-ahead under the current proposal. Therefore, this should not be a concern.**
- **The same company or affiliate cannot simultaneously have a real-time with price import and a price taking export.**
- **Real-Time with Price transactions are submitted by 18:00 day-ahead under the current proposal.**



Regional Practices

The following regional practices apply to interchange ramp. If the interchange cap proposal is approved, each of these should be extended for times when an interchange cap is implemented.



1.19 Policy for Rebating Transmission Service and Forgiveness of Congestion Charges

- **PJM reserves the right to rebate Transmission Service on a case-by-case basis when unique issues occur.**
- **The Regional Practices section 1.19 contains language associated with rebating Transmission Service charges which covers this topic.**



2.1.2.4 Ramp Limits

- Ramp availability is allocated on a first-come, first-serve basis.
- This language is now included under the new Regional Practices section 2.1.2.6.
 - If the interchange cap is set, PJM may validate all Spot Market Imports and non-firm hourly PTP Interchange Schedule requests against the interchange cap. This validation occurs at the time of submission or modification of the Tag

2.1.2.5 Ramp Limit Violations

- For Tags contributing to the ramp in the violated interval, PJM utilizes a last-in, first-out methodology to determine which Tags will be subject to curtailment.
- **This is not applicable. PJM will deny hourly tags that violate the cap as they are submitted. This is spelled out in M11.**
 - The net interchange cap will represent the maximum level of RTO-wide net interchange beyond which the scheduling of additional non-dispatchable transactions using Spot Market Import or non-firm hourly point to point transmission service will be disallowed.

2.1.2.5 Ramp Limit Violations

- If PJM system operators determine that a market participant has directly contributed to a ramp limit violation, then they will specifically curtail Tags belonging to that market participant in order to correct the violation. In the event that curtailments to the market participant's Tags are insufficient to correct the violation, PJM system operators will default to the last-in, first-out curtailment policy.
- **This language is not applicable. Tags that violate the cap will be denied.**

2.1.2.5 Ramp Limit Violations

- For emergency circumstances in which a market participant needs to terminate a Tag but is prevented from doing so by the ramp limit, PJM must be contacted directly. PJM system operators will then manually approve the Tag adjustment and notify the market participant of the resulting ramp limit violation. If the market participant has additional Tags that could be curtailed to bring the ramp back within the limit, they will be required to modify those Tags to fix the violation. If they do not have a Tag that can be used to correct the ramp limit violation, PJM will default to the last-in, first-out curtailment policy.
- **Language added to the Regional Practices section 2.1.2.6.**
 - For emergency circumstances in which a market participant needs to terminate a Tag but is prevented from doing so by the interchange cap, PJM must be contacted directly. PJM system operators will then manually approve the Tag adjustment.

2.1.2.9 Ramp Reservations

- Ramp Reservations can be acquired in advance of Tag submission via the ExSchedule application. Market participants must supply a scheduling path and an energy profile that PJM will validate against the applicable ramp limits. If the Ramp Reservation is successfully created, it must be manually attached to a Tag or it will expire per Section 2.1.2.3. Ramp Reservations can be attached to a Tag by placing a specialized Token/Value pair in the Misc. Info column of the PJM Transmission Provider line in the Physical Path of the Tag. The Token entry should be “RAMPRES” and the Value entry should be the Ramp Reservation ID obtained from ExSchedule.
- **This language does not apply as this is not a ramp process.**

2.2.1 Data Requirements

- ...
- **(optional) Ramp Reservation ID**
 - **If omitted, ExSchedule will attempt to create and assign a Ramp Reservation**
- **This language is not applicable. The Interchange Cap is a restriction enforced at time of Tag submittal.**



2.2.2 Data Validations

- On submission, the following validations are performed on Ramp Reservations:
 - ...
 - Ramp Availability
 - **This is not applicable. After the cap is set, Tags are denied upon submittal. This is spelled out in 2.1.2.6.**



2.1.2.5 Ramp Limit Violations

- **All observed cases of inappropriate behavior surrounding the reservation and use of ramp will be reported to PJM's Independent Market Monitor.**
- **Language added to the Regional Practices section 2.1.2.6 similar to the language that exists under the Ramp section. This is also covered in the PJM/IMM Joint Statement.**
 - **All observed cases of inappropriate behavior surrounding the reservation and use of the interchange cap may be reported to PJM's Independent Market Monitor**

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