

Allocation of CTR MWs to LSEs

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- A Capacity Transfer Right (“CTR”) is a right, allocated to LSEs serving load in a LDA, to receive payments, based on the transmission import capability into such LDA, that offset, in whole or in part, the charges attributable to the Locational Price Adder, if any, included in the Zonal Capacity Price calculated for a LDA

- When an LDA is constrained, resulting in a Locational Price Adder, the impact of that higher price on load in the LDA is mitigated by providing each LSE a share of the import capability into the zone. In a constrained, price-separated LDA, that import capability represents the ability to access lower-cost generation from outside the LDA.
- The value of the import capability is apportioned to all load in the LDA through the allocation of CTRs to each LSE in the constrained LDA. The CTR entitles the LSE to a payment equal to the Locational Price Adder, times the LSE's pro rata share (based on UCAP Obligation share) of the capacity imported into the LDA
- CTRs provide the LSE with a payment that offsets, in whole or in part, the higher capacity price it pays for its share of the RTO UCAP Obligation

- CTRs are allocated to each LSE serving load in an LDA pro rata based on each LSE's Daily UCAP Obligation in the LDA
- The total MW of CTRs available for allocation (to LSEs) shall equal the MW of UCAP imported into an LDA determined based on the results of the BRA and IAs, less any MW of CETL increase into the LDA attributable to QTUs cleared in an RPM Auction and any ICTRs into the LDA (but not less than zero)

$$\text{CTR}_{\text{LSEs}} = \text{LDA UCAP Imported} - \text{LDA QTU MW} - \text{LDA ICTR MW}$$

LDA UCAP Imported = LDA UCAP Obligation – (Participant Sell Offers - Participant Buy Bids cleared in the LDA across all auctions for the delivery year)

- LDA UCAP Obligation is equal to the sum of the Zonal UCAP Obligations of the zones in the LDA
- Zonal UCAP Obligation is each zone's pro-rata share of the RTO UCAP Obligation based on each zone's share of the forecasted peak load of the PJM Region
- RTO UCAP Obligation is equal to the total cleared participant sell offers net of total cleared participant buy bids across the entire RTO from all auctions conducted for the delivery year

- The CTRs available for allocation to LSEs in the EMAAC LDA for the 2021/2022 Delivery Year were determined to be 4,029.5 MW based on formula of previous slide:

$$\text{CTR}_{\text{LSEs}} = 4,029.5 \text{ MW for EMAAC LDA for 2021/2022 DY}$$

- These CTRs are then allocated to each zone in the LDA based on each zone's pro-rata share of the LDA UCAP Obligation
 - Slide 6 shows allocation of CTR_{LSEs} to each zone in the EMAAC LDA
- The CTR_{LSEs} determined for each zone are allocated to each LSE serving load in the zone pro rata based on each LSE's Daily UCAP Obligation in the zone
 - Slide 7 shows example of a daily allocation of CTRs determined for the AECO zone to LSEs serving load in the AECO zone

Allocate CTR_{LSEs} to Zones within LDA: CTR_{LSEs} determined for the LDA are allocated to each Zone in the LDA pro rata based on each Zone's share of the LDA UCAP Obligation

EMAAC Zones	Forecast Peak Load	Share of LDA Peak Load	Zonal/LDA UCAP Obligation	Zonal Share of LDA CTR_{LSEs}
AE	2,395.0	8.1%	2,810.8	326.3
DPL	3,723.0	12.6%	4,369.4	507.3
JCPL	5,625.0	19.0%	6,601.6	766.4
PECO	8,092.0	27.4%	9,496.9	1,102.6
PS	9,362.0	31.7%	10,987.4	1,275.6
RECO	376.0	1.3%	441.3	51.2
EMAAC LDA	29,573.0	100.0%	34,707.3	4,029.5

Allocate Zonal CTR_{LSEs} to LSEs in Zone: CTR_{LSEs} determined for each Zone are allocated to each LSE serving load in the Zone pro rata based on each LSE's Daily UCAP Obligation in the Zone

Allocation of Zonal CTRs to LSEs in ZONE (AECO Zone)

LSEs	PLC	Share of LDA Peak Load	UCAP Obligation	Share of Zone's CTR_{LSEs}
LSE 1	300.0	12.5%	352.1	40.9
LSE 2	425.0	17.7%	498.8	57.9
LSE 3	250.0	10.4%	293.4	34.1
LSE 5	150.0	6.3%	176.0	20.4
LSE 6	500.0	20.9%	586.8	68.1
LSE 7	770.0	32.2%	903.7	104.9
AECO Zone	2,395.0	100.0%	2,810.8	326.3

The value of the import capability is apportioned to all load in the LDA through the allocation of CTRs to each LSE in the LDA. The CTR entitles the LSE to a payment equal to the Locational Price Adder, times the LSE's pro rata share (based on UCAP Obligation share) of the capacity imported into the LDA

EMAAC Zones	Zonal/LDA UCAP Obligation	EMAAC LPA (\$/MW-Day)	Load Payment (\$/Day)	Zonal Share of EMAAC LDA CTR _{LSEs}	CTR Credit (\$/Day)
AE	2,810.8	\$25.47	\$71,591	326.3	\$8,312
DPL	4,369.4	\$25.47	\$111,288	507.3	\$12,920
JCPL	6,601.6	\$25.47	\$168,143	766.4	\$19,521
PECO	9,496.9	\$25.47	\$241,887	1,102.6	\$28,083
PS	10,987.4	\$25.47	\$279,849	1,275.6	\$32,490
RECO	441.3	\$25.47	\$11,239	51.2	\$1,305
EMAAC LDA	34,707.3		\$883,998	4,029.5	\$102,632

Note: "Load Payment" represents portion of total load payment associated with EMAAC LPA

Allocation of Zonal CTR Credit to LSEs in ZONE (AECO Zone)

LSEs	UCAP Obligation	EMAAC LPA (\$/MW-Day)	Load Payment (\$/Day)	Share of Zone's CTR _{LSEs}	CTR Credit (\$/Day)
LSE 1	352.1	\$25.47	\$8,968	40.9	\$1,041
LSE 2	498.8	\$25.47	\$12,704	57.9	\$1,475
LSE 3	293.4	\$25.47	\$7,473	34.1	\$868
LSE 5	176.0	\$25.47	\$4,484	20.4	\$521
LSE 6	586.8	\$25.47	\$14,946	68.1	\$1,735
LSE 7	903.7	\$25.47	\$23,017	104.9	\$2,672
AECO Zone	2,810.8		\$71,591	326.3	\$8,312

Note: "Load Payment" represents portion of total load payment associated with EMAAC LPA

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Allocation of CTRs



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