



Performance Assessment Interval Settlements

Lisa Morelli
Director, Market Settlements
Risk Management Committee
February 29, 2024

- PJM will resume PAI billing in the February 2024 billing statement, which will be issued on March 7.
- The February billing statement will include:
 - Initial PAI billing for September 2023 – November 2023
 - Adjustments to March 2023 – August 2023

The following will be reflected in the PAI billing in February :

- Implementation of the PAI settlement agreement
 - 31.7% reduction in non-performance penalties (principal and interest) for participants not in bankruptcy
 - Bonus recipients will see a corresponding reduction in bonus credits
 - Allocation of \$11.9 million in lump sum credits for Talen and Lee County
 - Allocated to bonus recipients as a negative credit
- Additional interest assessed to Lee County for payment deferrals per the terms of the waiver granted in FERC Docket EL23-57

- **Minor revisions to the balancing ratio**
 - Stems from incorporation of late submission of GADS outage data for a single unit, which impacted the actual performance MW used in the balancing ratio
 - Yielded a minimal decrease in several intervals of no more than .00001%
- **Adjustment to methodology used to allocate interest credits to bonus recipients**
 - Revised from Bonus Credit (\$) ratio share to Bonus MW ratio share based on the tariff language
 - Min / Max change per participant for the entire event was ~-\$3,200 / \$5,600. The average change was \pm \$265.



Revised Total Charges & Monthly Billing

Election	Penalty Charges		Total Interest Charges
	Total Gross	% of Gross	
3 Months	\$358,870,879.09	29%	N/A
9 Months	\$893,828,056.63	71%	\$10,747,867.44
Total	\$1,252,698,935.72[^]	100%	\$10,747,867.44

[^]Excludes \$11.9 million in lump sum reductions payable per Article 4 of the Settlement Agreement

Penalty charges* billed in March–May: \$220,132,062.37 per month	Penalty charges* billed in June – November: \$100,508,436.01 per month
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**Includes interest charges*

A [spreadsheet](#) detailing the total PAI charges for the event following implementation of the Settlement Agreement has been posted to the Winter Storm Elliott web page.



Initial September, October and November 2023 Billing & Holdback

The initial holdback applied for September, October and November bonus credits will be ~4.75%.

	Principal	Interest	Total
Total Monthly Non-Performance Charges for September, October and November	\$ 99,314,228.74	\$ 1,194,207.49	\$ 100,508,436.01
Initial Holdback	\$ 4,726,357.20	\$ 56,832.25	\$ 4,783,189.45
Initial Bonus Credit to Be Paid for each Month	\$ 94,587,871.32	\$ 1,137,375.24	\$ 95,725,246.56

The bonus credits held back for March – August 2023 will remain unchanged.

- While February completes the billing of all PAI charges, additional PAI billing for bonus credit reconciliation is expected in the March 2024 billing statement.
 - Reconciliation of initial holdback to actual non-payment for September – November
 - Distribution of Heritage bankruptcy payments to bonus pool

Collateral which was posted to satisfy PAI obligations will be returned in the same format in which it was originally posted in response to the Unreasonable Credit Risk (UCR) letter issued to the Market Participant.

- Collateral that was held back via the PJM billing statement will flow through the settlement process (billing statement and financial settlement thereof).
 - Collateral will be returned via a credit in the February (monthly) billing statement
- Cash Market Participants will have the option to:
 - request the return of collateral to satisfy amounts due on the February billing statement; or
 - follow the normal process for collateral returns
- Letter of Credit (LC) will follow the normal process for collateral returns.
 - PAI collateral amount will be unrestricted upon receipt of payment of the February Monthly Invoice,
 - Market Participants may request the collateral be return via eCredit
 - LC issuing bank to provide to PJM an amendment decreasing the LC amount

Facilitator:
Thomas Zadlo,
Thomas.Zadlo@pjm.com

Secretary:
Emmy Messina,
Emmy.Messina@pjm.com

SME:
Lisa Morelli, Lisa.Morelli@pjm.com

Performance Assessment Interval Settlements



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

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