

Request for testing 5 minute
settlement interval results against
actual hourly settlements

Market Settlements
Subcommittee

August 17, 2017

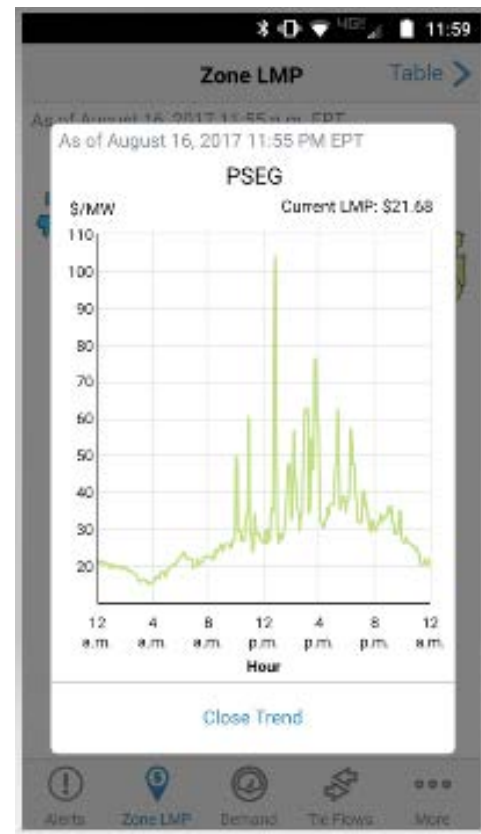
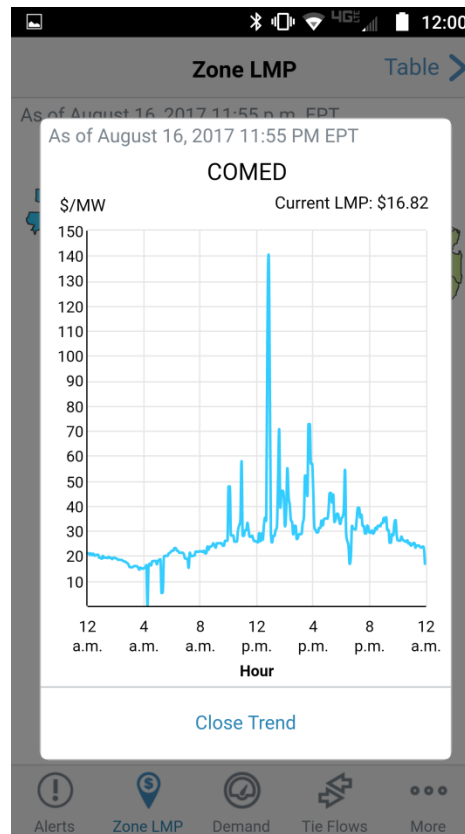
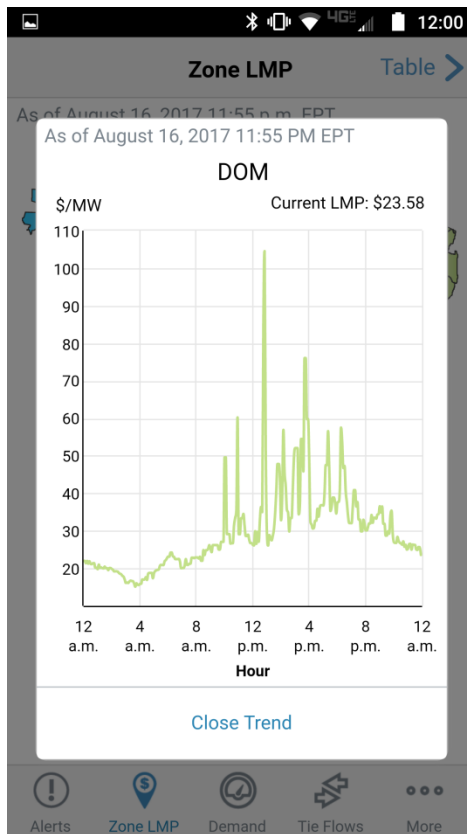
Hourly vs. Sub-hourly Settlement Intervals

- Hourly settlements are based on:
 - average LMPs over the 12 dispatch intervals in the hour
 - hourly integrated supplies and demands
- Sub-hourly settlements will use:
 - 5 minute LMPs
 - Hourly metered loads divided evenly over the 12 intervals
 - Hourly metered generation divided based on 5 minute dispatch signals or 5 minute metered values

Question – will final credits and debits change much?

- For loads
 - Will sum of 5 minute load charges equal current hourly charge?
 - What is the impact of the new 5 minute imbalance credit or debit based on mismatch between methods for dividing hourly loads and supplies?
- For generators
 - Will sum of 5 minute generator credits equal current hourly credit?
 - Responsibility for uplift – how will sum of deviations calculated on a 5 minute basis compare with current hourly calculated values?

Steady vs. Volatile 5 minute LMPs



LMP trend screenshots from "PJM Now" app

Request for side by side comparison of hourly vs. 5 minute settlements results

- 5 minute LMPs can be relatively stable compared with hourly integrated values or may be quite volatile
- Market participants may value being able to see and review detailed differences between settlements results for sample groups of hours or full days that include hours with both stable and volatile 5 minute LMPs
 - To understand settlements logic
 - To help forecast budget impacts