

# FRR Capacity Resource Deficiency Settlements

Market Settlements Development  
Market Settlements Subcommittee

- PJM is preparing to bill FRR Capacity Resource Deficiency charges and credits for first time since 2011.
- Existing BLIs 1681 and 2681 will have activity starting with June 2023 billing cycle.
- 2 new MSRS reports will be created to support new billing activity:
  - FRR Capacity Resource Deficiency Charges
  - FRR Capacity Resource Deficiency Credits

# FRR Capacity Resource Deficiency Charge

- An LSE participating in the FRR Capacity Plan Alternative will pay a FRR Capacity Resource Deficiency Charge in the delivery year for any shortage of resources to meet the Final Daily Unforced Capacity Obligation and the Amount of Internal Resources Required in an LDA.
- A shortage/excess of resources to meet the Final Daily Unforced Capacity Obligation is calculated by comparing an LSE's Daily Total FRR Resource Position to their Final Daily Unforced Capacity Obligation.
- The FRR Capacity Resource Deficiency Charge is equal to 1.2 times the Capacity Resource Clearing Price resulting from all RPM Auctions for such Delivery Year for the LDA encompassing such zone, weight-averaged for the Delivery Year based on the prices established and the quantities cleared in such auctions, multiplied by the shortage.
- FRR Capacity Resource Deficiency Charges are assessed daily and billed weekly.
- Additional details can be found in Manual 18 section 11.8.1

- The Daily FRR Capacity Resource Deficiency Charges are distributed on a pro-rata basis to the LSEs in the RTO that were charged an RPM Locational Reliability Charge.
- FRR Capacity Resource Deficiency Credits are assessed daily and billed weekly.

- FRR Capacity Resource Deficiency Charge is billed under line item 1681 - FRR LSE Capacity Resource Deficiency.
- FRR Capacity Resource Deficiency Credit is billed under line item 2681 - FRR LSE Capacity Resource Deficiency.
- Line items 1681 and 2681 were “archived” in posted [Billing Statement Line Items](#) documentation due to inactivity.
- Line items 1681 and 2681 will be reactivated effective June 1, 2023 for activity with the first weekly billing statement of the June 2023 billing cycle issued on June 13, 2023.
  - BLIT users should review transfers effective with June 2023 billing period.



# FRR Capacity Resource Deficiency Charges

- New MSRS report to support BLI 1681 – FRR LSE Capacity Resource Deficiency Charge.

The following columns will appear in the body of the report:

Online and CSV Column Name	XML Column Name	Column Number	Data Type
Customer ID	CUSTOMER_ID	4000.01	INTEGER
Customer Code	CUSTOMER_CODE	4000.02	VARCHAR2(6)
Date	DATE	4000.04	DATE (MM/DD/YYYY in online and CSV formats, YYYY-MM-DD in XML format)
FRR Capacity Resource Deficiency MW	FRR_CAP_RES_DEF_MW	1681.11	NUMBER(8,1)
FRR Capacity Resource Deficiency Rate (\$/MW)	FRR_CAP_RES_DEF_RATE	1681.12	NUMBER
FRR Capacity Resource Deficiency Charge (\$)	FRR_CAP_RES_DEF_CHARGE	1681.01	NUMBER(22,2)
Version	VERSION	4000.07	VARCHAR2(12)

- $\text{FRR Capacity Resource Deficiency Charge} = \text{FRR Capacity Resource Deficiency MW} * \text{FRR Capacity Resource Deficiency Rate}$



# FRR Capacity Resource Deficiency Credits

- New MSRS report to support BLI 2681 – FRR LSE Capacity Resource Deficiency Credit.

The following columns will appear in the body of the report:

Online and CSV Column Name	XML Column Name	Column Number	Data Type
Customer ID	CUSTOMER_ID	4000.01	INTEGER
Customer Code	CUSTOMER_CODE	4000.02	VARCHAR2(6)
Date	DATE	4000.04	DATE (MM/DD/YYYY in online and CSV formats, YYYY-MM-DD in XML format)
Total PJM FRR Capacity Resource Deficiency Charge (\$)	TOT_PJM_FRR_CAP_RES_DEF_CH	2681.11	NUMBER(22,2)
Locational Reliability Charge (\$)	LOC_RELIABILITY_CHARGE	2681.12	NUMBER(22,2)
Total PJM Locational Reliability Charge (\$)	TOT_PJM_LOC_REL_CHARGE	2681.13	NUMBER(22,2)
FRR Capacity Resource Deficiency Credit (\$)	FRR_CAP_RES_DEF_CR	2681.01	NUMBER(22,2)
Version	VERSION	4000.07	VARCHAR2(12)

- $$\text{FRR Capacity Resource Deficiency Credit} = \frac{\text{Total PJM FRR Capacity Resource Deficiency Charge} * \text{Locational Reliability Charge}}{\text{Total PJM Locational Reliability Charge}}$$

- New MSRS reports will be available with the first weekly bill of June 2023 Billing issued June 12, 2023
- New MSRS report documentation will be posted to the MSRS Reports Web Page (<https://www.pjm.com/markets-and-operations/billing-settlements-and-credit/msrs-reports-documentation>) under the RPM category
  - Pardot communication will be distributed detailing availability of updated documentation
- Please direct any questions related to report updates to [mss@pjm.com](mailto:mss@pjm.com)



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## **FRR Capacity Resource Deficiency Settlements**



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