



# Transmission Enhancement Charge (TEC) Adjustments FERC Order EL05-121-014

Natasha Holter  
Manager, Market Settlement Operations  
Market Settlements Subcommittee  
August 16, 2023

- Settlement Agreement filed on June 15, 2016 related to the 2005 Regional Cost Allocation Methodology.
  - Effective January 2016 – December 2025, Merchants (Linden/Hudson) are responsible for TEC Adjustments.
- FERC approved the settlement agreement on May 31, 2018 with PJM's compliance filing submitted on July 30, 2018
  - PJM then allocated TEC Adjustments to Linden/Hudson for the period of January 1, 2016 – December 31, 2017. As of January 1, 2018, they relinquished their Firm Transmission Withdrawal Rights and thus were not subject to the TEC Adjustments.
  - PJM began billing the settlement agreement in the July 2018 bill.
- Linden/Hudson sought clarification of the settlement order.

- The Court rejected FERC's interpretation and remanded the issue back to FERC for further proceedings.
- On December 16, 2022, the PJM Transmission Owners requested FERC to direct PJM to begin collecting TEC Adjustments from Linden/Hudson for the period of May 31, 2018 forward.
  - FERC denied this request.
- On July 31, 2023 FERC issued an Order On Remand directing:
  - Transmission Owners to file a revised Schedule 12-C Appendix C for the TEC Adjustments excluding an allocation to Linden/Hudson for the period of January 1, 2016 through December 31, 2017.
  - PJM to calculate refunds to Linden/Hudson and assess surcharges to other customer consistent with the TEC Adjustment revisions.

- Once the revised Schedule 12-C Appendix C is effective, PJM will include the refund and associated surcharges within the next two monthly invoices.
- Adjustments for the period of January 1, 2016 through December 31, 2017 can be found on BLI 1115 Transmission Enhancement Settlement Charges.
- Once the resettlement is processed, a note will be included on the billing notification email for reference.

Facilitator:  
Susan Kenney,  
[susan.kenney@pjm.com](mailto:susan.kenney@pjm.com)

Secretary:  
Sean Flamm,  
[sean.flamm@pjm.com](mailto:sean.flamm@pjm.com)

Presenter:  
Natasha Holter,  
[natasha.holter@pjm.com](mailto:natasha.holter@pjm.com)

## Transmission Enhancement Charge Adjustments



### Member Hotline

(610) 666 – 8980

(866) 400 – 8980

[custsvc@pjm.com](mailto:custsvc@pjm.com)