



PRD Test Failure Settlements and MSRS Reports

Market Settlements Development
Market Settlements Subcommittee

- PJM is expecting to bill PRD Test Failure charges and credits for the first time.
- Existing BLIs 1669 and 2669 are expected to have additional activity in the August 2024 billing cycle.
- 2 new MSRS reports will be created to support new billing activity:
 - PRD Test Failure Charge Summary
 - PRD Test Failure Credit Summary

- PRD Providers with a positive net testing shortfall in a zone will be assessed PRD Test Failure Charge.
- PRD Test Failure Charge is equal to the net testing shortfall in a zone * Delivery Year Forecast Pool Requirement * PRD Test Failure Charge Rate.
- The PRD Test Failure Charge Rate for RPM PRD is equal to the PRD Provider's Weighted Final Zonal Capacity Price in a Zone plus the greater of (0.20 times the PRD Provider's Weighted Final Zonal Capacity Price in such Zone or \$20/MW-day) times the number of days in the Delivery Year.
- PRD Test Failure Charges are assessed daily but billed retroactively in a lump sum amount in the August monthly bill issued in September following the conclusion of the Delivery Year in which a shortfall was calculated.
- Additional details can be found in Manual 18 section 9.4.13

- The revenue collected from assessment of the PRD Test Failure Charges shall be distributed on a pro-rata basis as Daily PRD Test Failure Credits to all entities that committed Capacity Resources in the RPM Auctions for such Delivery Year where a test failure occurred, pro rata based on each such entity's daily revenues from Capacity Market Clearing Prices in such auctions, net of any daily compliance charges incurred by such entity.
- PRD Test Failure Credits are assessed daily but billed retroactively in a lump sum amount in the August monthly bill issued in September following the conclusion of the Delivery Year in which a shortfall was calculated.

- PRD Test Failure Charges are billed under line item 1669 – PRD Commitment Compliance Penalty.
- PRD Test Failure Credits are billed under line item 2669 - PRD Commitment Compliance Penalty.
- Both PRD Test Failure Charge and PRD Test Failure Credit will be included as monthly components to the above BLIs.
- New supporting MSRS Reports will be retrievable based on the Billing Month column value.
- The PJM Month-to-Date Billing Summary Report data for BLIs 1669 and 2669 will receive a monthly lump sum component in the 8/1/YYYY column to detail the full amount of Charge / Credit processed.



PRD Test Failure Charge Summary

- New MSRS report to support BLI 1669 – PRD Test Failure 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)
Billing Month	BILLING_MONTH	4000.03	DATE (MM/DD/YYYY in online and CSV formats, YYYY-MM-DD in XML format)
Date	DATE	4000.04	DATE (MM/DD/YYYY in online and CSV formats, YYYY-MM-DD in XML format)
Zone/Sub-Zone	ZONE_SUB_ZONE	4001.39	VARCHAR2(50)
Commitment Type	COMMITMENT_TYPE	4001.45	VARCHAR2(20)
PRD Test Failure Deficiency (MW)	PRD_TEST_DEF_MW	1669.21	NUMBER
PRD Test Failure Rate (\$/MW-Day)	PRD_TEST_FAILURE_RATE	1669.22	NUMBER
PRD Test Failure Charge (\$)	PRD_TEST_FAILURE_CHARGE	1669.02	NUMBER
Version	VERSION	4000.07	VARCHAR2(12)

- $PRD \text{ Test Failure Charge} = PRD \text{ Test Failure Rate} * PRD \text{ Test Failure Deficiency}$



PRD Test Failure Credit Summary

- New MSRS report to support BLI 2669 – PRD Test Failure 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)
Billing Month	BILLING_MONTH	4000.03	DATE (Month, YYYY in online and CSV formats, YYYY-MM in XML format)
Date	DATE	4000.04	DATE (MM/DD/YYYY in online and CSV formats, YYYY-MM-DD in XML format)
Total PJM PRD Test Failure Charges (\$)	TOT_PJM_PRD_TEST_FAILURE_CHARGES	2669.21	NUMBER
Auction Credits (\$)	AUCTION_CREDITS	2669.12	NUMBER
Deficiency Charges (\$)	DEFICIENCY_CHARGES	2669.13	NUMBER
Total PJM Auction Credits – Deficiency Charges (\$)	TOT_PJM_AUCCR_DEFCH	2669.14	NUMBER
PRD Test Failure Credit (\$)	PRD_TEST_FAILURE_CR	2669.02	NUMBER
Version	VERSION	4000.07	VARCHAR2(12)

- $$\text{PRD Test Failure Credit} = \text{Total PJM PRD Test Failure Charges} * \text{Max}((\text{Auction Credits} - \text{Deficiency Charges}), 0) / \text{Total PJM Auction Credits} - \text{Deficiency Charges}$$

- New billing activity is expected to be included in the August 2024 Monthly bill issued on September 9, 2024.
- New MSRS reports will be available with the August 2024 Monthly bill.
- 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 mrkt_settlement_ops@pjm.com

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PRD Test Failure Settlements



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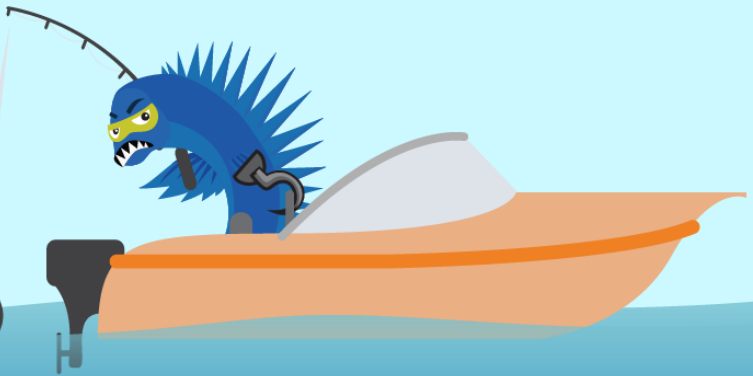
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Acronym	Term & Definition
MSRS	Market Settlements Reporting System is a PJM web tool that allows members to retrieve PJM billing invoices and other supporting reports.
PRD	Price Responsive Demand is defined as PRD provider with End-use customers that will commit to only consume a certain amount of electricity when energy prices are high and therefore cap the amount of capacity required.
RPM	Reliability Pricing Model PJM's capacity market design that includes a series of auctions to satisfy the reliability requirements of the PJM region for a Delivery Year..

[PJM Glossary](#)

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