

**PJM Business Practices**  
**for Hudson Transmission Service**

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## PJM Business Practices for Hudson Transmission Service

### About These Practices

These practices are specifically related to service over the Hudson Merchant Transmission DC line, and are supplemented and complimented by the normal OASIS business practices as posted on the PJM OASIS (<http://oasis.pjm.com>). For any questions related to the PJM OASIS please contact [oasisadmin@pjm.com](mailto:oasisadmin@pjm.com) or call the PJM OASIS hotline during business hours at (610) 666-8972.

To move power from PJM over the Hudson Line to the New York Independent System Operator (“NYISO”), two PJM transmission service reservations are required. A transmission service reservation is required from the PJM Transmission System to the Hudson Line (“Out Service”) and another transmission service reservation over the Hudson Line (“Hudson Service”). The PJM Out Service falls under Part II (or Part III for non-zonal load) of the PJM Open Access Transmissions Tariff (“OATT”) and the PJM Regional Practices ([PJM OASIS business practices](#)). The Hudson Service falls under the provisions for controllable merchant facilities, Schedule [ ] of the PJM OATT and these Hudson Business Practices.

#### **1. Valid Paths for the HUDSON Reservations on the PJM OASIS**

Hudson Service, like PJM Out Service, will be acquired on the PJM OASIS. Hudson Service and PJM Out Service are both required to make a complete path from PJM to NYISO over the Hudson Line.

The PJM Out Service path is “PJM-HUDSON” on the PJM OASIS. This is the PJM out-service that will be used to schedule power from PJM to the Hudson Line. This PJM Out Service is covered by normal [PJM OASIS business practices](#). This path provides service to the Hudson Line.

The Hudson Service path is “PJM-NYCITY” on the PJM OASIS. This path provides service over the Hudson Line. All ATC over the Hudson Line is held by Primary Rights Holder(s) (per Schedule [ ] of the PJM OATT) until all or a portion of the ATC is released voluntarily or by default for purchase by other PJM members through the OASIS.

#### **2. Acquiring Hudson Service**

The PJM Out Service must be larger than Hudson Service to cover losses across the Hudson Line. (For exact amount of the losses see Section 9)

Hudson Service that does not have scheduled use (approved NERC tag) may be posted for resale by the primary rights holder(s) as Firm or Non-Firm ATC. Hudson Service that is not posted for resale and does not have scheduled use will be posted for resale by default by PJM as Non-Firm ATC pursuant to Section 3.

Postings for resale will be completed before the start of service as ATC postings by the Primary Rights Holder(s). Hudson Service (over the DC line) will be posted for resale as described in Section 3, Resale of Hudson Service. Posted Hudson Service that is available for purchase can be viewed on the OASIS. Available Hudson products are listed in [Section 6](#).

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Hudson Service can be requested through the PJM OASIS web or the OASIS template interface. The requester must have access to do business through the PJM OASIS and be an Eligible Customer as defined by the PJM Tariff.

After the request is received to purchase service, a reservation will be created and the customer will be contacted by email with their reservation number and status. The Primary Rights Holder(s) will evaluate requests to purchase service from postings and respond in accordance with PJM's practices for resale of transmission service as defined in the Regional Practices section 1.12. The rate for the service is set by the Primary Rights Holder(s) and is negotiated until the request is in CONFIRMED status. The rate paid by the requestor of this service is the rate applicable, as negotiated, at the time of purchase, and will not be subject to rate changes after purchase.

### **3. Resale of Capacity of Hudson Service**

A holder of Hudson Service may resell capacity for use according to Schedule [ ] of the PJM OATT ([http://www.pjm.com/etools/oasis/downloads/20070605-schedule\[ \].pdf](http://www.pjm.com/etools/oasis/downloads/20070605-schedule[ ].pdf)). Hudson Service already scheduled for the NYISO, or posted for resale will not be subject to default resale. All other Hudson Service is subject to the default resale practices identified in this document and Schedule [ ] of the OATT.

Resold capacity will be posted on the PJM OASIS for each of the respective service holders. The rates for posting Hudson Service are set by the Hudson Service holders at the time of posting. The Hudson Transmission Owner may provide the Transmission Provider a rate to be posted on OASIS and charged for default resales pursuant to Section 3.7.2. In the event that the Hudson Transmission Owner does not separately provide to the Transmission Provider a rate for default resales, such default resales shall be charged the lowest rate posted on OASIS for voluntary release of Hudson Reservations in the applicable hour. Hudson Service (over the DC line) will be default resold at 12:00 p.m. one calendar day before the operations and will be posted on the OASIS.

The releasing Hudson Service holder remains obliged to pay for service. If a purchasing transmission service customer reserves the released service, the releasing Hudson Service holder will be credited and the purchasing Hudson Service holder will be charged the rate posted by the releasing Hudson Service holder at the time of the purchase.

**4. Available Hudson Products on the OASIS**

Table 6.1: OASIS Products offered on the Hudson line

<b>Type</b>	<b>Description</b>	<b>Product Designator</b>
Default Release	Default release (hourly non-firm)	hour-HUDS_NF_DEFAULT
Primary Rights Holder	Primary Rights Holder Firm Capacity and Energy	primary-HUDS_F_CAP
	Primary Rights Holder Firm Energy Only	primary-HUDS_F_ENERGY
Voluntary Release	Hourly firm capacity and energy	hour-HUDS_F_ENERGY
	Hourly non-firm recallable	hour-HUDS_NF

**5. Recallability of Hudson ATC**

The owner of the firm Hudson Service (primary-HUDS\_F\_CAP) may retain the right of recall for ATC resold on a non-firm basis (hour-HUDS\_NF). The firm Hudson Service holder has until 12 p.m., 2 business days before the start of service to recall the capacity. This right of recall does not apply to service that has been resold by default due to unscheduled service or to Hudson Service released as firm service (primary-HUDS\_F\_CAP). Notwithstanding the right to recall, Firm service shall have scheduling priority over non-firm service, and schedules using firm service shall displace schedules using non-firm service as needed to prevent overuse of the Hudson Line.

**6. Billing for Hudson Reservations**

Billing for Hudson Service and PJM Out Service will be done on a normal monthly basis, similar to all other Transmission Service billing in accordance with PJM’s Tariff. A company that resells capacity on the Hudson Line will be credited for the amount sold. A company that purchases service will be billed for the full amount of service. Any questions about this billing should be directed to the OASIS hotline, at 610-666-8972 or to the [osisadmin@pjm.com](mailto:osisadmin@pjm.com) email.

**7. Losses**

Losses across the Hudson Line (the Hudson Service) are posted to the OASIS Merchant Transmission Facilities page (<http://www.pjm.com/markets-and-operations/etools/osis/merch-trans-facilities.aspx>). The capacity reserved on the Hudson Service reservation is measured at the Point of Delivery (NYCITY). To account for the losses, the PJM Out Service reservation

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must include these losses rounded up to the next whole MW, than the Hudson Service reservation.

### **8. Rebates**

The PJM practices for rebates for Hudson Service and PJM Out Service are identical. These practices are listed in section 1.20 of the PJM OASIS Regional Practices.

### **9. Scheduling Power on the Hudson Line**

Both PJM Out Service and Hudson Service are required to schedule an export from PJM over the Hudson Line for delivery to the NYISO (a “Hudson Schedule”). PJM Out Service must be identified on the NERC Tag for all Hudson Schedules.

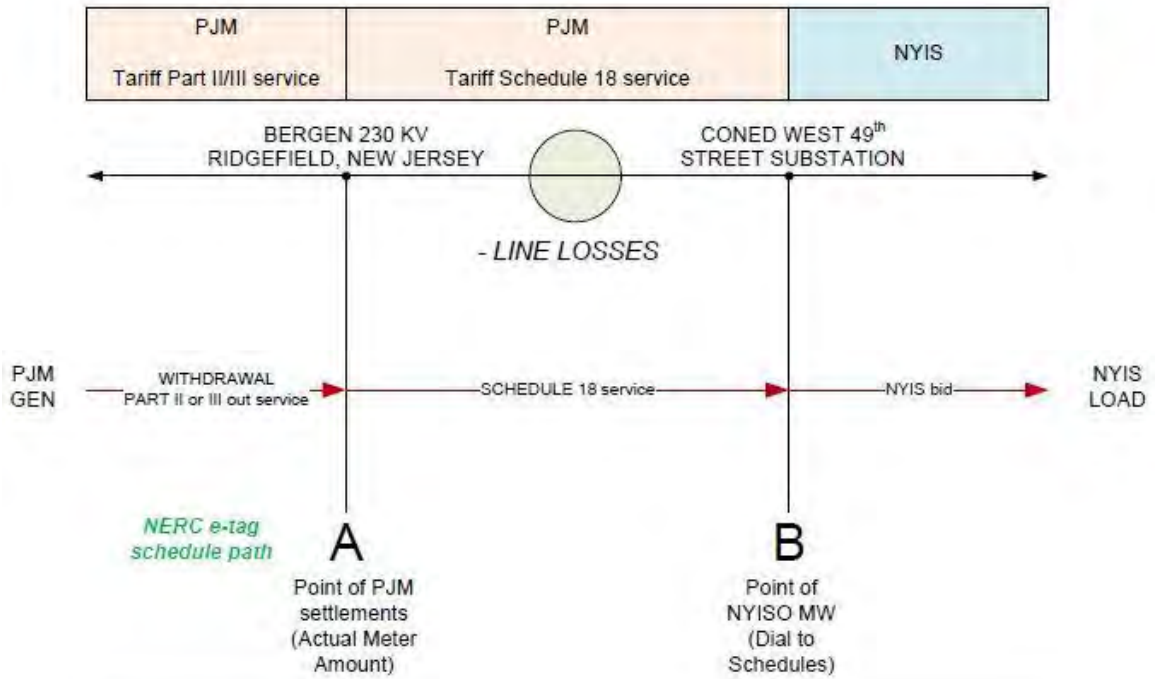
Hudson Schedule tags will look similar to other NYISO tags with the exception of the POR and POD on the PJM TP line in the Physical Path. Instead of “PJM — NYIS”, the POR and POD should be “PJM — HUDS”; however, the GCA/ LCA on the tag will still be “PJM” and “NYIS” since Hudson tags ultimately sink in the NYISO.

The PJM Out Service reservation (PJM-HUDSON) path must be included on the NERC Tag as PJM-HUDS. The Hudson Service reservation (PJM-NYCITY) path should not be included on the NERC Tag, however the Hudson Service reservation OASIS number should be included in the Contract field on the PJM TP line in the Physical Path section of the tag.

To ensure that Hudson transactions receive the correct pricing, a PJM special exception must always be attached to the tag. This special exception should be placed on the PJM TP line in the Physical Path section of the tag. In the MISC INFO field, the Token should be “EXCEPTION” and the Value should be “HUDSON”.

The net interchange scheduled for delivery at West 49<sup>th</sup> Street over the Hudson Line (Hudson Net Scheduled Interchange) will be capped at a maximum of 660 MW at any given time. Additionally, the Hudson Net Scheduled Interchange cannot go below 60 MW unless the Hudson Net Scheduled Interchange is 0 MW. Transaction requests that violate these limits will not be accepted.

### HTP HVDC Transmission Service Example:



PJM-NYIS WITHDRAWAL Transmission Service Reservations:

PJM GEN to Point A: OASIS out service, MW + Losses  
 Point A to Point B: OASIS HTP service MW  
 Point B to NYIS LOAD: NYIS bid MW

Losses in this direction are shown by the PJM out service reservation being higher than the NERC tag schedule.

**10. Definitions**

10.1 Hudson Reservation: A right, denoted in Megawatts and for a specified period, to request the withdrawal of energy and capacity from the Transmission System at the Point of Interconnection and submit schedules for transmission service over the Hudson Line on a firm or non-firm basis as set forth in Schedule [ ] of the PJM OATT.

10.2 Hudson Transmission Customer: An entity that (i) is an Eligible Customer (or its Designated Agent) that meets the creditworthiness requirements of the Transmission Provider set forth in Attachment Q to the OATT and is in good-standing with respect to all payments owed under the Tariff and Operating Agreement; (ii) executes a Hudson Service Agreement, the form of which is attached as Exhibit A to Schedule [ ] of the OATT; and (iii) holds a Hudson Reservation.

10.3 Hudson Line: The Hudson Line is a controllable, high voltage, direct current Merchant Transmission Facility that runs between the Public Service Electric and Gas Company (“PSE&G”) Bergen Substation in Ridgefield, New Jersey to the Consolidated Edison’s West 49<sup>th</sup> Street substation in New York, New York, which was the subject of Commission orders in FERC Docket No. ER11-3017 et al. regarding operation of the line as a merchant transmission facility and as more particularly described in the Interconnection Service Agreement among PJM Interconnection, L.L.C. and Hudson Transmission Partners, LLC and PSE&G, which was accepted for filing by the Commission in FERC Docket No. ER10-1740-000.

10.4 Hudson Service: The reservation of the transmission of capacity and energy on the Hudson Line pursuant to the terms and conditions of service set forth in this Schedule [ ].

10.5 PJM Out Service: The reservation of the transmission for delivery to the Hudson Line using the PJM point to point out service required to schedule energy for delivery to the Hudson Line.

10.6 Hudson Transmission Owner: Hudson Transmission Partners, LLC, its agents, successors or assigns.

10.7 Primary Rights Holder: An entity that has been allocated rights to the use of the transmission capability of the Hudson Line and assigned Firm and Non-Firm Transmission Withdrawal Rights by the Hudson Transmission Owner in accordance with Section 2.1.

10.8 Secondary Rights Holder: An entity that has been allocated rights to the use of the transmission capability of the Hudson Line and assigned Firm and Non-Firm Transmission Withdrawal Rights by the Primary Rights holder in accordance proper release, allocation, or reassignment rules.



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**APPENDIX A: Hudson Regional Practices Revisions and Updates**