



Load Reconciliation Process

Problem / Opportunity Statement

PJM calculates load reconciliation charges and credits for Electric Distribution Companies (EDCs) and Load Serving Entities (LSEs) for past monthly billings on a two or three month lag. The reconciliation kWh data must be supplied to PJM by the EDCs no later than the last day of the billing month that is two months after the original billing month. For example, all reconciliation data for January must be submitted by March 31 at 23:59. The reconciliation kWh data represents the difference between the scheduled Retail Load Responsibility or Wholesale Load Responsibility InSchedule and the “actual” usage based on metered data. This hourly kWh data must be reported separately for each applicable InSchedule contract.

PJM calculates the majority of load reconciliation billing by multiplying the kWh data by the applicable billing determinant for that hour. These reconciliation billings are then totaled for the month for each EDC or LSE. Note that the load reconciliation charges as well as credits for a month may be either a positive or a negative value, and may even be such that the reconciled load responsibility MWh results in a negative load quantity. Load reconciliation charges and credits that fall under this scenario include:

Charges:

| BLI # | BILLING LINE ITEM NAME |
|-------|--|
| 1400 | Load Reconciliation for Spot Market Energy |
| 1410 | Load Reconciliation for Transmission Congestion |
| 1420 | Load Reconciliation for Transmission Losses |
| 1430 | Load Reconciliation for Inadvertent Interchange |
| 1440 | Load Reconciliation for PJM Scheduling, System Control and Dispatch Service |
| 1441 | Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund |
| 1444 | Load Reconciliation for Market Monitoring Unit (MMU) Funding |
| 1445 | Load Reconciliation for FERC Annual Recovery |
| 1446 | Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding |
| 1447 | Load Reconciliation for North American Electric Reliability Corporation (NERC) |
| 1448 | Load Reconciliation for Reliability First Corporation (RFC) |
| 1449 | Load Reconciliation for Consumer Advocates of PJM States, Inc. (CAPS) Funding |
| 1450 | Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service |
| 1460 | Load Reconciliation for Regulation and Frequency Response Service |
| 1470 | Load Reconciliation for Synchronized Reserve |
| 1472 | Load Reconciliation for Non-Synchronized Reserve |
| 1475 | Load Reconciliation for Day-ahead Scheduling Reserve |



Problem/Opportunity Statement

| | |
|------|--|
| 1478 | Load Reconciliation for Balancing Operating Reserve (*Reliability) |
| 1490 | Load Reconciliation for Reactive Services |

Credits:

| BLI # | BILLING LINE ITEM NAME |
|-------|---|
| 2420 | Load Reconciliation for Transmission Losses |
| 2415 | Balancing Transmission Congestion Load Reconciliation |

Prior to 2015, load reconciliation charges were not applied to emergency energy, emergency load response, and balancing operating reserve deviations. Through the stakeholder process, consensus was reached to include the impact of the reconciled megawatts for these three charge types. However, the related settlement calculations were not addressed by creating new load reconciliation billing line items, but rather by factoring the reconciled megawatts directly into these billing calculations as an adjustment to the applicable previously billed month.

PJM is currently working on a technology upgrade project for the Market Settlement Calculation System. Through this project, the opportunity is available to remove the stand alone load reconciliation charge calculations and instead factor the reconciled megawatts directly into the billing calculations as an adjustment to the applicable previously billed month. This would result in a consistent set of settlement calculations, providing the following benefits:

- Standardize the treatment of load reconciliation across all applicable billing line items
- Standardize load reconciliation settlement data on Market Settlements Reports
- Reduce the number of line items on the monthly bill by eliminating the load reconciliation billing line items
- Eliminate any confusion between source month and billing month for reruns related to load reconciliation billing
- Improve settlements calculations efficiencies for PJM settlements staff
- Minimize the number of billing line item transfers that need to be managed by members for a specific charge type
- Unify balancing operating reserve deviation and reliability charges under the same settlement calculation method