04/13/200; revised 05/08/2007; recertified 9/21/10; revised 2/14/11, 1/17/12

Subject: PJM Proxy Bus Pricing and Scheduling

This Technical Bulletin describes how the expected flows over the ABC, JK and 5018 interconnections with the PJM Control Area are established in the Day-Ahead, Real-Time, and Transmission Congestion Contracts (TCC) Markets.

Date Effective: Market Day June 6, 2007 for the Day-Ahead and Real-time Markets.
Spring 2011 Centralized TCC Auction for the TCC Market.

Background:

Flows over the PJM-NYISO ABC, JK, and 5018 interconnections will continue to be scheduled consistent with the Operating Protocol for the Implementation of Federal Energy Regulatory Commission Opinion No. 476 and the Branchburg-Ramapo 500kV Operating Agreement. This technical bulletin explains how the NYISO establishes expected flows over the identified interconnections for use in its Day-Ahead, Real-Time, and TCC Markets.

Details:

The ABC, JK, and 5018 interconnections of the PJM-NYISO Interface are defined as follows:

- JK interconnection: (2) Ramapo-S.Mahwah 345kV facilities
- ABC interconnection: (2) Farragut-Hudson & (1) Linden-Goethals 345kV facilities
- 5018 interconnection: (1) Branchburg- Ramapo 500kV facility.

In the Day-Ahead Market, for the purposes of scheduling and pricing, the Security Constrained Unit Commitment (SCUC) desired flows will be established for the ABC, JK, and 5018 interconnections based on the following:

- Consolidated Edison Company of New York's Day-Ahead Market hourly election for the "600/400MW Contracts"
- **0**~~13~~% **(13% prior to May 1,2012)** of the Day-Ahead Market PJM-NYISO hourly interchange will be scheduled on the ABC interconnection
- **0**~~-13~~% **(-13% prior to May 1,2012)** of the Day-Ahead Market PJM-NYISO hourly interchange will be scheduled on the JK interconnection
- 40% of the Day-Ahead Market PJM-NYISO hourly interchange will be scheduled on the Branchburg-Ramapo interconnection. The Branchburg-Ramapo 500kV Operating agreement allows for the assumption that up to ~~62~~**61**% of PJM-NY transaction schedules flow over the 5018 interconnection. However, flows over the 5018 interconnection will be conservatively modeled at 40% to ensure feasible operating schedules**.** ~~at the scheduling limit of 2500MW.~~ The desired flow scheduled over the Branchburg-Ramapo interconnection may be adjusted by an offset MW value to reflect expected operational conditions.

Flows in the Real-Time market will be established for the ABC, JK, and 5018 interconnections based on the current flow modified to reflect expected transaction schedule changes over the scheduling horizon. For the purposes of scheduling and pricing, the Real-Time Commitment/Real-Time Dispatch (RTC/RTD) desired flows will be established for ABC, JK, and 5018 interconnections based on the following:

- The current level of ABC, JK, and 5018 power flows (based on PAR MW telemetry values)
- 0~~13~~% **(13% prior to May 1, 2012)** of the expected schedule changes to PJM-NYISO interchange within the next two and one-half hour scheduling horizon will be scheduled on the ABC interconnection
- 0-~~13~~% **(-13% prior to May 1, 2012)** of the expected schedule changes to PJM-NYISO interchange within the next two and one-half hour scheduling horizon will be scheduled on the JK interconnection
- 40% of the expected schedule changes to PJM-NYISO interchange within the next two and one-half hour scheduling horizon will be scheduled on the Branchburg-Ramapo interconnection. The Branchburg-Ramapo 500kV Operating agreement allows for the assumption that up to 61~~62~~% of PJM-NY transaction schedules flow over the 5018 interconnection. However, flows over the 5018 interconnection will be conservatively modeled at 40% to ensure feasible operating schedules**.** ~~at the scheduling limit of 2500MW.~~

~~In both the Day-Ahead and Real-Time Markets the remaining flow will be distributed over the free flowing lines that are also part of the NYISO/PJM Interface.~~

In the TCC Market, for the purposes of conducting Centralized TCC Auctions and Reconfiguration Auctions ~~for May 2011 going forward~~, the TCC Auction Optimal Power Flow (OPF) analysis desired flows will be established for the ABC, JK, and 5018 interconnections based on the following:

- Consolidated Edison Company of New York's Day-Ahead Market hourly election for the "600/400MW Contracts" will be assumed to equal 1000 MW, assuming all ABC and JK transmission equipment is represented in-service for these Auctions. Should any of this equipment be represented as out-of-service, the election shall be reduced to less than 1000MW, to a value consistent with elections observed in the Day-Ahead Market when such outages are modeled.

- 0~~13~~% **(13% for months from May 2011 to April 2012)** of the net TCC auction injection at the PJM Proxy Bus TCC bidding PTID will be scheduled on the ABC interconnection

- 0-~~13~~% **(-13% for months from May 2011 to April 2012)** of the net TCC auction injection at the PJM Proxy Bus TCC bidding PTID will be scheduled on the JK interconnection

- 40% of the net TCC auction injection at the PJM Proxy Bus TCC bidding PTID will be scheduled on the Branchburg-Ramapo interconnection. The Branchburg-Ramapo 500kV Operating Agreement allows for the assumption that up to ~~62~~61% of PJM-NY transaction schedules flow over the 5018 interconnection. However, flows over the 5018 interconnection will be conservatively modeled at 40% to ensure feasible TCC auction schedules**.** ~~at the scheduling limit of 2500MW.~~

~~In the TCC Market the remaining flow will be distributed over the free flowing lines that are also part of the NYISO/PJM Interface.~~

The NYISO anticipates that this Technical Bulletin will be incorporated into the Day-Ahead Scheduling Manual during its next available recertification period.