

# Financial Impact Charge (FIC)

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# Objectives Per Settlement Name:

- Provide Settlement Description
- Identify Settlement Eligibility
- Name Settlement Determinants
- Name Settlement Intermediates
- Explain Settlement Algorithm
- Step Through Settlement Scenario
- Perform Settlement Example
- Note Settlement Reference Material

# Financial Impact Charges

## Settlement Name:

- A. Financial Impact Charge for Imports
- B. Financial Impact Charge for Exports
- C. Financial Impact Charge for Wheel-throughs

# Financial Impact Charge (FIC)

- **Settlement Description:**
- **Charge imposed on MPs, in addition to normal settlement, when a transaction fails checkout due to MP action.**
- **Applied to imports, exports and wheels**

# Financial Impact Charge (FIC)

## FIC for IMPORTS

- **Settlement Eligibility:**
- **An Import transaction is liable for a Financial Impact Charge if all of the following are true:**
  - TransCnt Transaction Category = Import
- **The real time energy on the transaction is less than the RTC scheduled energy**
  - $RTD\ RT\ Sched\ Trans\ (MW) < RTC\ Sched\ Trans\ (MW)$
- **The transaction failed post RTC checkout due to Market Participant action**
  - Trans Cut By Desc = MP Failed

# Financial Impact Charge (FIC)

## FIC for IMPORTS

- Settlement Determinants
  - RTC Sched Trans (MW)
  - RTD RT Sched Trans (MW)
  - RTD Interval Seconds
  - TransCnt Transaction Category
  - RTD Trans Cut By Desc
  - RTD RT Marg Cong Cost: Src (\$/MW)

# Financial Impact Charge (FIC)

## FIC for IMPORTS

- Settlement Intermediates
  - None
  
- Settlement Results
  - RTD Fin Imp Ch Stlmnt: Trans (\$)

# Financial Impact Charge (FIC)

## FIC for IMPORTS

### Settlement Algorithm:

$$\begin{aligned} \text{RTD Fin Imp Ch Stlmnt: [Import] Trans (\$)} = & \\ & \{ \text{RTC Sched Trans (MW)} - \text{RTD RT Sched Trans (MW)} \} * \{ \text{RTD Interval Seconds} \div 3600 \} * \\ & \text{Max} [((-1) * \text{RTD RT Marg Cong Cost: Src (\$/MWh)}, 0(\$/MWh)] * -1 \end{aligned}$$



# Financial Impact Charge (FIC) - Imports

## Settlement Scenario:

### External generator in PJM sold 50MWs of power to NY (scheduled in DAM)

- Paid for 50 MWs at DAM LBMP for hour 0800-0900
- RTC schedule for 15 minute intervals for hour 0800-0900 was 40 MW
- MP failed to implement E-Tag 75 minutes prior to flow
- No Scheduled MW for RTD for hour 0800-0900
- RTD RT Marg Cong Cost: Src (\$/MW) \$ -50.00 for interval 0800-0805

# Financial Impact Charge (FIC) - Imports

## Settlement Example:

RTD Fin Imp Ch Stlmnt: [Import] Trans (\$) =

$$\begin{aligned}
 & \{ \text{RTC Sched Trans (MW)} - \text{RTD RT Sched Trans (MW)} \} * \{ \text{RTD Interval Seconds} \div 3600 \} * \\
 & \text{Max} [((-1) * \text{RTD RT Marg Cong Cost: Src (\$/MWh)}, 0 (\$/MWh))] * -1
 \end{aligned}$$

**Calculate the FIC Settlement for the Interval 0800-0805**

$$[40 \text{ MW} - 0 \text{ MW}] * \text{Max} [((-1) * -50.00), 0] * 300/3600 * -1 = -\$166.60$$

Or:

$$40 * .0833 * 50 * -1 = \text{\textbf{-\$166.60}}$$

# Financial Impact Charges

## Settlement Name:

- A. Financial Impact Charge for Imports
- B. Financial Impact Charge for Exports**
- C. Financial Impact Charge for Wheel-throughs

# Financial Impact Charge (FIC) - Exports

## Settlement Eligibility:

- *An Export transaction is liable for a Financial Impact Charge if all of the following are true:*
  - TransCnt Transaction Category = Export
  
- **The real time energy on the transaction is less than the RTC scheduled energy**
  - RTD RT Sched Trans (MW) < RTC Sched Trans (MW)
  
- **The transaction failed post RTC checkout due to Market Participant action**
  - RTD Trans Cut By Desc = MP Failed

# Financial Impact Charge (FIC) - Exports

## Settlement Determinants

- RTC Sched Trans (MW)
- RTD RT Sched Trans (MW)
- RTD Interval Seconds
- TransCnt Transaction Category
- RTD Trans Cut By Desc
- RTD RT Marg Cong Cost: Sink (\$/MW)

# Financial Impact Charge (FIC) - Exports

## Settlement Intermediates:

- None

## Settlement Results:

- RTD Fin Imp Ch Stlmnt: [Export] Trans  
(\$)

# Financial Impact Charge (FIC) - Exports

## Settlement Algorithm:

*RTD Fin Imp Ch Stlmnt: [Export] Trans (\$)* =

*{RTC Sched Trans(MW) - RTD RT Sched Trans(MW)} \* {RTD Interval Seconds ÷ 3600} \**

*Max [((-1) x RTD RT Marg Cong Cost: Sink (\$/MWh)), 0 (\$/MWh)] \* -1*

# Financial Impact Charges

## Settlement Name:

- A. Financial Impact Charge for Imports
- B. Financial Impact Charge for Exports
- C. Financial Impact Charge for Wheel-throughs**



# Financial Impact Charge (FIC) - Wheelthroughs

## Settlement Eligibility:

- *A Wheel-through transaction is liable for a Financial Impact Charge if all of the following are true:*
  - TransCnt Transaction Category = Wheel-Through
- **The real time energy on the transaction is less than the RTC scheduled energy**
  - RTD RT Sched Trans (MW) < RTC Sched Trans (MW)
- **The transaction failed post RTC checkout due to Market Participant action**
  - Trans Cut By Desc = MP Failed

# Financial Impact Charge (FIC) - Wheelthroughs

## Settlement Determinants:

- RTC Sched Trans (MW)
- RTD RT Sched Trans (MW)
- RTD Interval Seconds
- TransCnt Transaction Category
- RTD Trans Cut By Desc
- RTD RT Marg Cong Cost: Sink (\$/MW)
- RTD RT Marg Cong Cost: Src (\$/MW)

# Financial Impact Charge (FIC) - Wheelthroughs

## Settlement Intermediates:

- RTD Fin Imp Ch Stlmnt: [Import] Trans (\$)
- RTD Fin Imp Ch Stlmnt: [Export] Trans (\$)

## Settlement Results:

- RTD Fin Imp Ch Stlmnt: Trans (\$)

# Financial Impact Charge (FIC) - Wheelthroughs

## Settlement Algorithm:

***RTD Fin Imp Ch Stlmnt: [Wheel-through] Trans (\$) =***

RTD Fin Imp Ch Stlmnt: [Import] Trans (\$)  
+ RTD Fin Imp Ch Stlmnt: [Export] Trans  
(\$)

# Financial Impact Charge

## Settlement Reference Material:

- **Tariff Reference**
  - MST - Article 4, Section 4.5.3.2
- **Accounting and Billing Manual**
  - Section 7.2.2.2 (Imports), Appendix K
  - Section 7.3.2.2 (Bilateral Exports), Appendix K
  - Section 6.2.2.1 (LBMP Exports), Appendix J
  - Section 7.4.2.1 (Wheels), Appendix K
- **Advisory Billing File**
  - Transaction Customer Section
    - *Hrly Fin Impact Charge \$*
  - Hourly Bill Code: 530, 531
  - Daily Bill Code: 776 (Bilaterals); 777 (LBMPs)
- **DSS Corporate Report**
  - Settlement Details – Transaction Customer – Financial Impact Charge