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 Wheels through

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 through

Financial Impact Charge (FIC) - 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) - 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) - IMPORTS

- **Settlement Intermediates**
  - None

- **Settlement Results**
  - RTD Fin Imp Ch Stlmnt: Trans ($)

Financial Impact Charge (FIC) - IMPORTS

Settlement Algorithm:

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

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

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

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 ($) =

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

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

Calculate the FIC Settlement for the Interval 0800-0805

[40 MW – 0 MW] * Max [((-1)*-50.00), 0] * 300/3600] * -1 = -$166.60

Or:

40 * .0833 * 50 * -1 = **-$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 <u>Export</u> 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) – <u>Exports</u>

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) – Wheels through

Settlement Eligibility:

- *A <u>Wheel-through</u> 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) – Wheels through

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) – Wheels through

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) – Wheels through

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