



# Performance Assessment Interval (PAI) Settlements

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Market Implementation Committee  
April 12, 2023

The Balancing Ratio is calculated during each Performance Assessment Interval (PAI) to determine each generation capacity resource’s obligation to deliver energy.

**Balancing Ratio (BR) =**

$$\frac{\text{Total Actual Generation and Storage Performance} + \text{Net Energy Imports} + \text{DR and PRD Bonus Performance}}{\text{All Generation and Storage Committed Capacity Commitments (UCAP)}}$$

Final Balancing Ratios					Preliminary Balancing Ratio	Difference
Date/Time	Area(s)	Min BR	Max BR	Average BR	Average BR	
Dec. 23 17:30–23:00	RTO	82.41%	86.23%	85.20%	85.48%	-0.28%
Dec. 24 04:25–22:00	RTO	77.85%	83.96%	81.19%	80.62%	0.57%

<b>Total Gross Penalties / Potential Bonus</b>	<b>Total Net Penalties</b>
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\$1,817,694,727

\$1,296,628,015

Members with:			
Gross Penalties	Gross Bonus	Net Penalties	Net Bonus
187	260	116	182

*Bonus performance payments ultimately depend on total collected Non-Performance Charges so those credits are subject to change based on actual collections. Collection of these charges cannot be guaranteed on account of factors such as litigation outcomes, bankruptcy discharge or other financial constraints affecting collectability. As such, the bonus credits and rates included in this presentation are subject to change.*



# PAI Billing Elections & Monthly Billing

		Penalty Charges		
Election	% of Sub-Accounts with Charges	Total Gross	% of Gross	Total Interest Charges
3 Months	71%	\$539 million	30%	N/A
9 Months	29%	\$1,279 million	70%	\$15 million

<p><b>Penalty charges* billed in March–May:</b> \$322 million per month</p>	<p><b>Penalty charges* billed in June – November:</b> \$142 million per month</p>
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*\*Excludes interest charges*

The total penalties and interest charges to be billed on a monthly basis has been [posted](#) on the Winter Storm Elliott web page.

	Average Bonus Rate (\$/MW-interval)	% of RTO Penalty Rate (\$250.69/MW-interval)	Min Bonus Rate (\$/MW-interval)	Max Bonus Rate (\$/MW-interval)
Entire Event	\$ 193.15	77%	\$ 161.41	\$ 225.06
12/23/2022	\$ 200.22	80%	\$ 190.61	\$ 207.04
12/24/2022	\$ 190.94	76%	\$ 161.41	\$ 225.06

The final bonus rates are roughly 25% lower than the preliminary bonus rates. This is primarily driven by the addition of demand response, price responsive demand, energy efficiency and net import bonus MW.

- Resources that over-performed beyond expectations receive a share of the penalty charges **collected** for each interval as bonus credits
- A bonus holdback is used to adjust for the difference between total penalties billed and total penalties collected
  - An **expected holdback** is an estimate of non-collection of penalty charges before financial settlement occurs
    - The expected holdback for the March 2023 bill was 25%. Total bonus credits paid equaled 75% of total monthly charges billed (\$241 million).
  - An **actual holdback** amount is used in subsequent bills to true up the initial bonus credits paid for a month with the total penalties actually collected for that month

- The SharePoint site for PAI Unit-Specific Inquiries has been converted to read-only.
  - All pre-existing inquiries remain available to view.
- Email [PAI Unit-Specific Requests](#) with follow up questions or supporting documentation for existing inquiries
- New questions and inquiries should be routed to [Market Settlements](#) or [Customer Service](#).

- **Financial settlement of the March 2023 bill**
  - **Friday, April 14, 1 p.m.:** Payments due to PJM
    - Any payments not received will receive a breach notice
  - **Monday, April 17:** Outgoing payments made to members
  - **Tuesday, April 18:** Date for breaches to be cured
- **April 25 Risk Management Committee meeting**
  - Review financial settlement of March bill
  - Review April bonus holdback
  - Ongoing discussion of default / bankruptcy procedures



Facilitator:  
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### Member Hotline

(610) 666 – 8980

(866) 400 – 8980

[custsvc@pjm.com](mailto:custsvc@pjm.com)

**PROTECT THE  
POWER GRID**  
**THINK BEFORE  
YOU CLICK!**



Be alert to  
malicious  
phishing emails.

**Report suspicious email activity to PJM.**  
(610) 666-2244 / [it\\_ops\\_ctr\\_shift@pjm.com](mailto:it_ops_ctr_shift@pjm.com)



# Appendix



# Winter Storm Elliott FERC-Filed Complaints

Docket	Complainants
EL23-53	Essential Power OPP, LLC; Essential Power Rock Springs, LLC; Lakewood Cogeneration, L.P.
EL23-54	ComEd Zone Generators: Aurora Generation, LLC; Elwood Energy, LLC; Jackson Generation, LLC; Lee County Generating Station, LLC; Lincoln Generating Facility, LLC; LSP University Park, LLC; Rockford Power, LLC; Rockford Power II, LLC; and University Park Energy, LLC
EL23-55	Coalition of PJM Capacity Resources: Ad Hoc Committee of Certain Noteholders of Talen Energy Corp.; Clean Energy Future – Lordstown, LLC Competitive Power Ventures Holdings, LP; Hickory Run Energy, LLC; Lanyard Power Holdings, LLC; Lightstone Marketing LLC; Orion Power Holdings, LLC; Parkway Generation Operating LLC; Brunner Island, LLC; H.A. Wagner LLC; Montour, LLC; Camden Plant Holding, L.L.C.; MC Project Company LLC; Talen Energy Marketing, LLC; Red Oak Power, LLC; and South Field Energy LLC
EL23-56	Talen Energy Marketing, LLC
EL23-57	Lee County Generating Station, LLC
EL23-58	SunEnergy1, LLC
EL23-59	Lincoln Generating Facility, LLC
TBD	Parkway Generation Keys Energy Center LLC

- PJM member Heritage Power Marketing, LLC and 18 affiliates (Blossburg Power, LLC; Brunot Island Power, LLC; Gilbert Power, LLC; Hamilton Power, LLC; Heritage Power, LLC; Heritage Power Marketing, LLC; Hunterstown Power, LLC; Mountain Power, LLC; New Castle Power, LLC; Niles Power, LLC; Orrtanna Power, LLC; Portland Power, LLC; Sayreville Power, LLC; Shawnee Power, LLC; Shawville Power, LLC; Titus Power, LLC; Tolna Power, LLC; and Warren Generation, LLC) filed Chapter 11 bankruptcy petitions on January 24, 2023 in the U.S. Bankruptcy Court for the Southern District of Texas (Case No. 23-90032)
- Lincoln Power, L.L.C. and 7 affiliates (including PJM members Elgin Energy Center, LLC and Rocky Road Power, LLC) filed Chapter 11 bankruptcy petitions on March 31, 2023 in the U.S. Bankruptcy Court for the District of Delaware (Case No. 23-10382)