



# Performance Assessment Interval Billing Timelines and Line Items

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- **Billing Line Items**
  - Penalties
  - Interest
  - Bonus & Holdback
- **Billing Option Election Process**

- The Non-Performance Assessment reports in MSRS will show the non-performance charges absent any interest charges.
  - The Non-Performance Monthly Charge column on the Billing Month Summary report will show 1/3<sup>rd</sup> or 1/9<sup>th</sup> of the total charge (absent interest, depending on billing option chose).
- Interest charges can be seen on the billing statement.
  - Under Billing Line Item 1667: Non-Performance Charge
  - Applied as a same month adjustment to this line item. For example, March interest will be assessed as an adjustment to March non-performance charges in the March billing statement.
  - These adjustments will also be visible on the Billing Adjustment Summary report in MSRS.
  - The interest calculator tab of Item 1B can be used to shadow the interest calculation.

- The Non-Performance Assessment reports in MSRS will show the bonus credits absent any interest payments.
  - The Total PJM Non-Performance Monthly Charge column on the Billing Month Summary report will show the total charges (absent interest) billed in a given month (reflective of both 3 month and 9 month elections).
- Interest payments can be seen on the billing statement.
  - Under Billing Line Item 2667: Bonus Performance Credit
  - Applied as a same month adjustment to this line item. For example, March interest will be paid as an adjustment to March bonus performance credits in the March billing statement.
  - These adjustments will also be visible on the Billing Adjustment Summary report in MSRS.

- 1667 – Non-Performance Charge
  - Initial billing
  - Adjustments without a description are true-ups
  - Adjustments with a description of ‘Interest’ are interest charges
- 2667 – Bonus Performance Credit
  - Initial billing
  - Adjustments without a description are true-ups (like holdback)
  - Adjustments with a description of ‘Interest’ are interest credits

- A column will be added to the Non-Performance Assessment Billing Month Summary report to show the amount of bonus dollars withheld for each billing month.
  - Member's Bonus Credit = (Total PJM Non-Performance Monthly Charge – Bonus Holdback Adjustment) \* bonus MW ratio share
- If PJM over or under collects compared to the bonus holdback, the difference (positive or negative) will appear as an adjustment to the prior month's bonus credit in the next monthly billing statement.
  - These adjustments will appear separately from the adjustments for interest payments.
  - A new version of the Billing Month Summary that shows the corrected Bonus Holdback Adjustment for that prior month will also be issued.

- This slide is the guide for Example 1 in the corresponding worksheet posted as Item 1B
- In this example, the Estimated PAI is \$1.8 billion
- Repayment of the PAI is split evenly between the 3 month and 9 month option.

## March Invoice

- BLI 1667 = \$400,000,000
- BLI 1667 (Adjustment to March) = \$1,202,454
- BLI 2667 = \$400,000,000
- BLI 2667 (Adjustment to March) = \$1,202,454

***This example is for illustrative purposes only***



## PAI Charge/Bonus Cash Flow Example 2 – 20% / 10% Holdback

- This slide is the guide for Example 2 in the corresponding worksheet posted as Item 1B
- Example is assuming a 20% holdback in month 1 (March)
- Actual collection in this example is 90% for March; therefore a 10% holdback
- This results in two adjustments:
  - During April, an adjustment for March actual collections would be distributed
  - For April and beyond, the holdback would be reset to 10%

### March Invoice

- BLI 1667 = \$400,000,000
- BLI 1667 (Adjustment to March) = \$1,202,454
- BLI 2667 = \$320,000,000
- BLI 2667 (Adjustment to March) = \$1,202,454

### April Invoice

- BLI 1667 = \$400,000,000
- BLI 1667 (Adjustment to April) = \$1,202,454
- **BLI 2667 = \$360,000,000**
- **BLI 2667 (Adjustment to March) = \$40,000,000**
- BLI 2667 (Adjustment to April) = \$1,202,454

***This example is for illustrative purposes only***





## PAI Charge/Bonus Cash Flow Example 3 – 20% / 30% Holdback

- This slide is the guide for Example 3 in the corresponding worksheet posted as Item 1B
- Example is assuming a 20% holdback in month 1 (March)
- Actual collection in this example is 70% for March; therefore a 30% holdback
- This results in two adjustments:
  - During April, an adjustment for March actual collections would be clawed back
  - For April and beyond, the holdback would be reset to 30%

### March Invoice

- BLI 1667 = \$400,000,000
- BLI 1667 (Adjustment to March) = \$1,202,454
- BLI 2667 = \$320,000,000
- BLI 2667 (Adjustment to March) = \$1,202,454

### April Invoice

- BLI 1667 = \$400,000,000
- BLI 1667 (Adjustment to April) = \$1,202,454
- **BLI 2667 = \$280,000,000**
- **BLI 2667 (Adjustment to March) = (\$40,000,000)**
- BLI 2667 (Adjustment to April) = \$1,202,454

***This example is for illustrative purposes only***

## For the December 2022 PAI events:

A transitional rule was proposed. Members will have two options for payment schedules.

**3 month billing option:** Pay over the remainder of the delivery year consistent with the current tariff. No interest will be applied.



**9 month billing option:** Interest would be calculated for the months that go past the current delivery year based on the FERC interest rate at the time of election.



Interest calculated for last 6 months and then levelized and billed over entire 9 month period

- The election window will be open from February 22 – March 17, 2023.
  - Once submitted, elections can be updated through the end of this period.
  - Elections will become read only beyond March 17.
- Users must have the Billing Line Item Transfer Read/Write role for each sub-account in order to submit these elections.
  - Customer Account Managers can grant this access.

PJM expects all members to proactively submit their elections by March 17. In the event a member does not submit their billing election, PJM will follow up with the member to secure an election. In the event no response is received by March 24, the election will default to the 3 month option.

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## **Performance Assessment Interval Billing Approach**



### **Member Hotline**

(610) 666 – 8980

(866) 400 – 8980

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

# Appendix

Navigate to the [Billing Line Item Transfer tool page](#) and select “Sign In”

Home > Markets & Operations > PJM Tools > Billing Line Item Transfer



## Billing Line Item Transfer

The Billing Line Item Transfer tool replaces the current paper process completed with the Declaration of Authority form, allowing users to easily create billing line item transfers online. This tool may be used by PJM participants who want to transfer charges and/or credits to other organizations through their billing. Transfers are created by one party and approved by another party to complete the transfer process.

Production: [Sign In](#) | [Register](#)  
Train Environment: [Sign In](#) | [Register](#)

From the Dashboard, select the “Submit PAI Election” button

Date Updated	BLIT ID	From	From Status	To	To Status	BLI ID	BLI Description	Charge/Credit	As provided for by State, Local, or Federal Law	Effective Date	Terminate Date	Bulk Update	Actions
								All	All				

### PAI Billing Timing Election

← Back

For the assessment of Non-Performance Charges stemming from Winter Storm Elliott on December 23 and 24, 2022, please elect whether the charges for this sub-account are to be invoiced over the three monthly bills remaining in the Delivery Year (March 2023 through May 2023) or over nine monthly bills (March 2023 through November 2023), subject to interest. Elections may be made or modified on this screen through March 17, 2023. Failure to make an election will result in all such charges being automatically invoiced over three monthly bills.

ABC's Election:  3 Months  9 Months (Interest will be applied)

Submit

#### PAI Election History

PAI Election (in Months)	User	Timestamp
9	PETER10	02/10/2023 09:04:01
3	STGUSER44	02/10/2023 08:59:07

Select the 3 Months or 9 Months option and submit.

Election history will display any changes to elections.



- Users with SUMA access can make elections for multiple sub-accounts using a single user account.

For the assessment of Non-Performance Charges stemming from Winter Storm Elliott on December 23 and 24, 2022, please elect whether the charges for this sub-account are to be invoiced over the three monthly bills remaining in the Delivery Year (March 2023 through May 2023) or over nine monthly bills (March 2023 through November 2023), subject to interest. Elections may be made or modified on this screen through March 17, 2023. Failure to make an election will result in all such charges being automatically invoiced over three monthly bills.

My Tools ▾ Session Expiration: 21:55:52 ▾ ABC Co. (User1)

**PAI Billing Timing Election**

← Back

For the assessment of Non-Performance Charges stemming from Winter Storm Elliott on December 23 and 24, 2022, please elect whether the charges for this sub-account are to be invoiced over the three monthly bills remaining in the Delivery Year (March 2023 through May 2023) or over nine monthly bills (March 2023 through November 2023), subject to interest. Elections may be made or modified through March 17, 2023. Failure to make an election will result in all such charges being automatically invoiced over three monthly bills.

ABC's Election:  3 Months  9 Months (Interest will be applied)

ABC Co.  
DEF Co.  
GHI Co.



Month	Bill Issued	Net Payments Due	Net Disbursements Due
March 2023	Fri 4/7/2023	Fri 4/14/2023	Mon 4/17/2023
April 2023	Fri 5/5/2023	Fri 5/12/2023	Mon 5/15/2023
May 2023	Wed 6/7/2023	Fri 6/16/2023	Tue 6/20/2023
June 2023	Mon 7/10/2023	Fri 7/14/2023	Mon 7/17/2023
July 2023	Mon 8/7/2023	Fri 8/11/2023	Mon 8/14/2023
August 2023	Fri 9/8/2023	Fri 9/15/2023	Mon 9/18/2023
September 2023	Fri 10/6/2023	Fri 10/13/2023	Mon 10/16/2023
October 2023	Tues 10/7/2023	Mon 11/13/2023	Tues 11/14/2023
November 2023	Thu 12/7/2023	Fri 12/15/2023	Mon 12/18/2023