



Reactive Supply and Voltage Control from Generation or Other Source Service Frequently Asked Questions

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For Public

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What Is in This FAQ Document?

The questions below reflect frequently asked questions received from stakeholders and others regarding Reactive Supply and Voltage Control from Generation and Other Sources Service. The answers below are drafted based upon the best information available at the time of publication and may be amended or updated.

PJM does not process any revenues for this service until FERC approves the Reactive Rate Schedule filing submitted by the Participant and confirmation has been received that the Participant is a PJM Member or affiliate of a PJM Member.

Monthly credits are provided to resources with FERC-approved reactive revenue requirements. Each resource receives a monthly Reactive Supply and Voltage Control from Generation Sources Service credit equal to one-twelfth (1/12) of its annual reactive revenue requirement. The current zonal revenue requirements are posted on the PJM website at <https://www.pjm.com/markets-and-operations/billing-settlements-and-credit>

Billing Questions

1. Do I need to be a PJM Member in order to receive payment on an approved reactive rate filing?

Yes because PJM can only make payments to PJM member companies. If you are a Non-PJM member with an approved reactive rate order, then there must be a full responsibility Declaration of Authority Agreement in place between the non-member and the PJM member company who will be receiving the reactive revenue credit.

2. Who do I contact if I am a Non-Member to PJM?

When you start the process to file with FERC for a reactive revenue rate for a resource, please ensure you have an appropriate contract with a PJM Member. You will need a full responsibility Declaration of Authority agreement with an active PJM Member. Reactive revenues will not be processed until all appropriate paperwork is complete.

Please contact our PJM Member Relations Department by email custsvc@pjm.com

3. If I am a PJM Member with an approved Reactive Rate and need to verify that revenues will be reflected on the PJM billing, who do I contact?

Please contact our PJM Member Relations Department by emailing to custsvc@pjm.com with the following information:

- FERC Docket No.
- PJM Member Name
- Identify the Resource by Unit Name or Unit ID No.
- Approved Effective Date
- The Zone the unit resides in

4. If I am directed by FERC to furnish a retroactive refund and interest payment for my annual reactive revenue rate, what is the process?

When FERC approves the reactive revenue rate retroactively, PJM will process the refunds/payments according to the FERC approved orders. For the refund and interest to be processed in the upcoming monthly billing invoice, resource owners need to forward the refund and interest calculations to Market Settlement Operations at Mrkt.Settlement.Ops@pjm.com within that month OR no later than the last business day of the month. If settlements receives this information after the last day of the month, settlements will process on the next month's billing invoice.

Please refer to FERC's website for interest calculation? <https://www.ferc.gov/enforcement-legal/enforcement/interest-rates>.

PJM will verify the principal refund amount and apply the participant's calculated interest amount on the monthly invoice. The two items will appear on the billing invoice as follows:

- The reactive revenue interest amount will appear under BLI 1330 as a charge to the current month.
- The principal refund amount will appear under BLI 2330 as a negative credit adjustment (i.e charge) for the months involved.

The allocation of the refund is also processed on the same billing invoice to all affected participants.

What if I'm directed to pay the refund and interest payment before the next monthly invoice is generated?

Some participants may need to wire the funds in advance to our Cash Management Department. For any questions concerning electronic funds transfer or payment procedures contact PJM's Cash Management Department at cashmanagement@pjm.com

Settlements will have Cash Management hold those funds until the monthly bill is generated and then apply those funds towards the monthly payment.

Below are some helpful links when calculating the interest due.

Please try this link for the FERC Website

<https://www.ferc.gov/interest-calculation-rates-and-methodology>

Please Use our PJM billing calendar for the dates

<https://www.pjm.com/-/media/markets-ops/settlements/weekly-billing-calendar-june-2023-may-2024.ashx>

<https://www.pjm.com/-/media/markets-ops/settlements/weekly-billing-calendar-june-2022-may-2023.ashx>

<https://www.pjm.com/-/media/markets-ops/settlements/weekly-billing-calendar-june-2021-may-2022.ashx>

5. Why do I continue to receive the reactive revenues on my PJM billing invoice when I cancelled my rate for the unit due to deactivation?

The Reactive Rate filing party is required to file with FERC at least 90 days in advance of the unit's deactivation date or expected date of the cancelled rate. PJM will not remove any revenues until FERC approves the cancelled rate.

6. How do I transfer a reactive rate to another account or PJM Member?

When a generator with a reactive rate transfers, they can cancel the rate in their name and the new owner can reapply for reactive rate; or the participants can submit an Informational filing to transfer the reactive rate from their name to the new owners with an effective date of the transfer date. The revenue rate transfer will not occur until the informational filing is approved by FERC.

If the unit is transferred to a subaccount under the reactive filing party name, no filing is required.

7. Is there any additional training or reference materials?

Please refer to

PJM Guide to billing <https://www.pjm.com/markets-and-operations/billing-settlements-and-credit/guide-to-billing>

PJM Manual 27: Open Access Transmission Tariff Accounting

Section 3: Reactive Supply and Voltage Control from Generation and Other Sources Service Accounting

<https://www.pjm.com/directory/manuals/m27/index.html#Sections/Section 3 Reactive Supply and Voltage Control from Generation and Other Sources Service Accounting.html>

This section cover 3 topics

[3.1 Reactive Supply and Voltage Control Service Accounting Overview](#)

[3.2 Reactive Supply and Voltage Control Credits](#)

[3.3 Reactive Supply and Voltage Control Charges](#)

Reactive Power Compensation Overview/Education: <https://www.pjm.com/-/media/committees-groups/committees/mic/2021/20210210/20210210-item-14-reactive-power-in-pjm.ashx>

Reactive Power Compensation Task Force: <https://www.pjm.com/committees-and-groups/task-forces/rpcf>