

Time Zone Alignment



**Joint and Common Market
Carmel, IN
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Time Zone Alignment

- Background
 - Midwest ISO's systems are currently operating under EST.
 - PJM's systems are currently operating under EPT (EST/EDT)
 - PJM is currently performing an impact analysis of the new energy bill provision to move DST to new timeframes each year. Implementation of new DST is March 2007.

Time Zone Alignment: Mid-Term

- Time Zone Alignment
 - PJM would align IT systems to be on a single time zone (i.e. EST)
 - Potential Benefits
 - **Reduced Confusion:**
 - No conversions would be necessary when scheduling. Would increase work efficiency
 - **Cost Savings:**
 - Participants would potentially save money due to reduced mistakes
 - **Cost Avoidance:**
 - Cost to implement is estimated less than the cost to implement upcoming DST changes.
 - New systems would not need to be developed/tested for DST switch.

System Convergence: Costs and Benefits

| | Cost | | Potential Benefit | |
|--|---|--|--------------------|--------------|
| | Ongoing (Incremental \$/year) | Implementation | \$/ transaction | \$/ year |
| Short Term: None Recommended | NA | NA | NA | NA |
| Mid Term: Migrate PJM IT systems to EST | \$Very Low to actual cost reductions | \$3-5M (high- level estimate) | NA | \$Low |
| Long Term: None Recommended | NA | NA | NA | NA |

Time Zone Alignment: Obstacles

- Obstacles for Time Zone Alignment
 - Gaining PJM stakeholder support and commitment to make necessary changes to their IT systems to only send/receive data in EST with PJM.
 - PJM participants on EPT would be impacted.
 - Wall clock versus system time for operators.