

Balancing Ratio Determination

Includes Problem/Opportunity Statement

Issue Source

PJM raised this issue during preparation for the 2021/2022 Base Residual Auction.

Stakeholder Group Assignment

For the 2021/2022 BRA, PJM proposes to use the 78.5% Balancing Ratio that was used for the 2020/2021 BRA even if a Performance Assessment Interval were to occur between now and the end of calendar year 2017. This near-term “temporary” solution should be filed ASAP for purpose of informing the MSOC process of the 2021/2022 BRA.

This issue is assigned to the Market Implementation Committee for development of a long-term solution that would become effective for the 2022/2023 BRA. Such a solution would need to be filed by October of 2018.

Key Work Activities

1. Perform education on the calculation of the MOSC and Balancing Ratio.
2. Develop alternative Balancing Ratio calculation methodology.

Expected Deliverables

1. Determination of rule changes required to implement potential solutions, if necessary
2. Develop revisions to Governing Agreements and PJM Manuals, as necessary.

Expected Overall Duration of Work

Approximately one year (to facilitate implementation prior to the 2022/2023 Base Residual Auction).

Decision-Making Method

Tier 1 consensus (unanimity) on a single proposal is preferred.