

Day-Ahead Scheduling Reserve Market Roll-out Schedule

- The RPM settlement agreement approved by FERC requires implementation of markets and/or market rule changes that address additional reserve products (i.e. supplemental reserve and load following) by **June 1, 2008** .
- Reserve Markets Working Group discussed a basic construct for a market based mechanism for the procurement of supplemental, 30-minute reserves on the PJM System and worked create a set of business rules for consideration by PJM stakeholders

The Day-ahead Scheduling Reserve Market was endorsed by the PJM Members Committee without objection on January 24, 2008. Filing (ER08-780) submitted to FERC on March 31, 2008

- The Day-ahead Scheduling Reserve Market is :
 - Offer-based market for 30-Minute Reserve that can be provided by both Generation and Demand Resources
 - Market that is designed to clear existing Day-Ahead Scheduling (operating) reserve requirements as defined by reliability standards: (RFC & VACAR)
 - Day-ahead, forward market that clears simultaneously with Day-Ahead Energy Market
 - Costs of Day-ahead Scheduling Reserve product will be allocated to real-time load ratio share

Purpose: To encourage and incent generation and demand resources to provide the flexible capability to provide 30- minute reserves

- The Day Ahead market clearing software and eMKT user interface are modified for the implementation of the Day-Ahead Scheduling Reserve Market Clearing mechanism
 - To calculate the DA Scheduling Reserve Requirement based on the PJM Load Forecast
 - To economically co-optimize the energy and reserve in the Day-Ahead Market considering lost opportunity costs
 - To allow Market Participants the ability to submit an offer price for Day-ahead Scheduling Reserve
 - Clear the DA Scheduling Reserve Requirement and create a single market clearing price for the RTO
- The amount of available reserves will be calculated by DA market software using same methodology used prior to implementation of the DA Scheduling Reserve Market

| Date | Activity |
|--------------------------------|---|
| May 2, 2008 | DASR Training via Webex |
| May 6, 2008 | eMKT Sandbox available for XML testing |
| May 8, 2008 | Overview of Rollout Plan at MIC |
| May 12, 2008 | Market Trials Begin in Sandbox |
| May 15, 2008 | DASR Overview for Demand Resources |
| May 31, 2008 | Submit offers in eMKT for June 1, 2008 Market clearing |
| June 11, 2008 | Begin Manual Review at MIC |
| October, 2008 Billing Cycle | Market Settlements for DASR |

- Market clearing results will be available in eMKT beginning June 1, 2008
- PJM will post preliminary DASR rates on PJM.com
- DASR settlement activity deferred until the fall, after the implementation of MSET
 - DASR Charges
 - DASR Credits
 - Performance Compliance Activity
 - Adjustments to Day-Ahead and Balancing Operating Reserves Charges & Credits for DASR Revenue

PJM - Day-Ahead Scheduling Reserve Market - Microsoft Internet Explorer provided by PJM Interconnection

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Address <http://www.pjm.com/markets/energy-market/day-ahead-scheduling-reserve-market.html>

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Day-Ahead Scheduling Reserve Market

The RPM settlement agreement approved by the Federal Energy Regulatory Commission (FERC) requires the implementation of markets and/or market rule changes that address additional reserve products by June 1, 2008. PJM and stakeholders developed a set of business rules for a Day-Ahead Scheduling Reserve Market that was endorsed by the Members Committee in January 2008. The new market is scheduled for implementation on June 1, pending approval by the FERC.

The Day-Ahead Scheduling Reserve Market is a market-based mechanism to procure supplemental, 30-minute reserves on the PJM System. On a day-ahead basis, PJM operators need the ability to schedule sufficient generation so that unanticipated system conditions can be dealt with to preserve reliability during the actual operating day.

PJM currently schedules for this supplemental, 30-minute reserve requirement, Day-Ahead Scheduling Reserve, in both the Day-Ahead Market and the Reliability Analysis. It compensates generators for providing this reserve with day-ahead and balancing operating reserve credits.

The Day-Ahead Scheduling Reserve Market is a voluntary, offer-based market that will clear existing reserve requirements on a forward basis. The market is designed to create an explicit value for an additional reserve product in the PJM markets on a short-term basis. The market is intended to provide a pricing method and price signals that can encourage generation and demand resources to provide day-ahead scheduling reserves, and to encourage new resources to be deployed with the capability to provide such reserves.

Postings

| Postings | Posting Date |
|--|--------------|
| eMKT Screen Shots (PDF) | 04.07.2008 |
| XML External Interface Specification (PDF) | 04.07.2008 |
| Day Ahead Scheduling Business Rules V6 (PDF) | 04.11.2008 |

Related Links

- [Reserve Markets Working Group \(RMWG\)](#)
- [Training](#)
- [FERC Documents](#)

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- eMKT Sandbox address
 - <https://esuitetrain.pjm.com/mui/index.htm>
 - IMPORTANT: Please make sure your [esuitetrain](#) user ids are valid
- On Tues., May 6th, 2008 the sandbox is available for XML testing
 - Revised Documentation available
 - [XML External Interface Specification](#) (PDF)
- On Monday, May 12th, 2008 Market Trials will be conducted. The sandbox is available:
 - For entering data via MUI
 - Viewing market trial results

- For the period of Aug 2007 – February 2008, PJM calculated the following values:
 - PJM Load Forecast @1200
 - Forecasted RTO Reserve Requirement
 - RFC (Load Forecast * 6.25 %) + VACAR Requirement (423 MW)
 - Using submitted parameters, calculated Available Generation capable of provide DASR
 - No DASR offer prices were simulated
- Results:
 - Determined how many hours that a deficiency in the required amount of reserve resulted

For the period analyzed, there were **5 hours** were the quantity of Reserve required was deficient