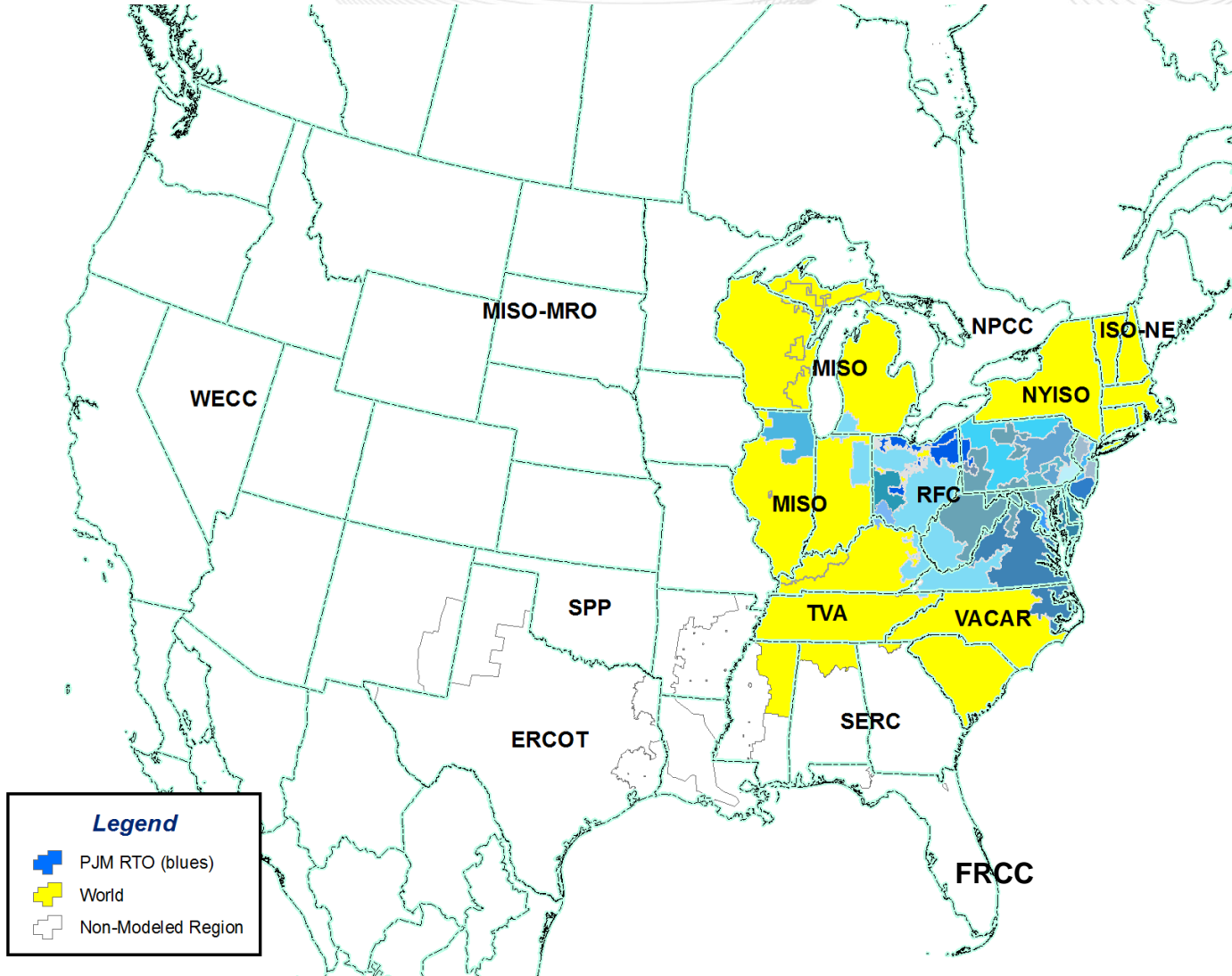


2011 Installed Reserve Margin (IRM) Study Results

Planning Committee
October 5, 2011



2011 Base Case IRM (2015/16 DY) => 15.4 %

2010 Base Case IRM (2014/15 DY) => 15.3 %

Why are results so similar?

- Identical historical time period used for the load models (1998-2006)
- PJM 5 year rolling EFORD is very similar to last year's
- PJM/World load diversity is very similar and therefore Capacity Benefit of Ties (1.8%) is identical to last year's

2010 Base Case IRM (2014 DY)	=>	15.3%
Impact of Load Model changes	=>	0.07 %
Impact of Capacity Model changes	=>	-0.02 %
Impact of World Reserve changes	=>	0.05 %

Estimated IRM due to impacts => 15.4 %

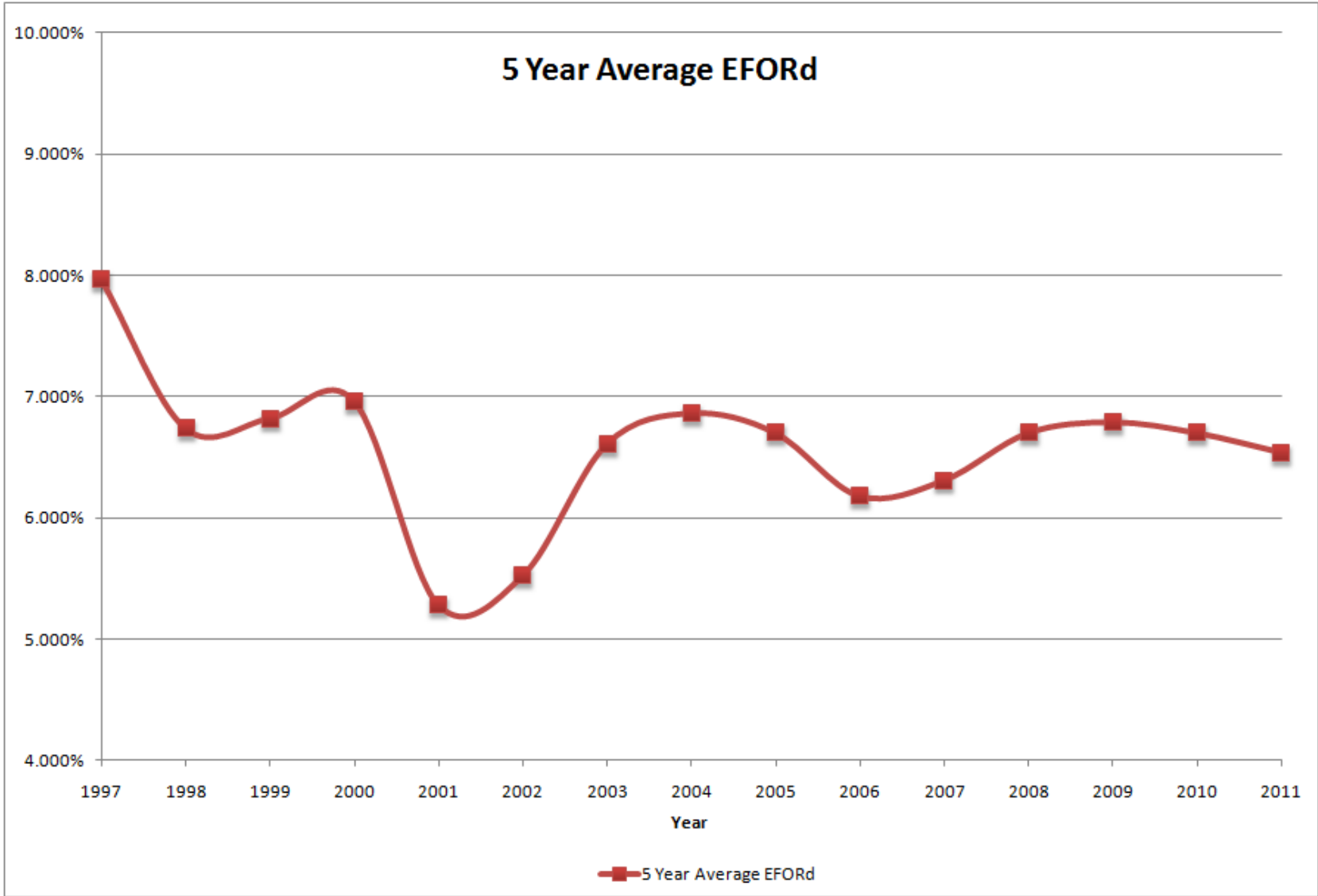
2011 Base Case IRM (2015 DY) => 15.4 %

RRS Year	Delivery Year Period	Calculated IRM	Recommended IRM	Avg. EFORd *	Recommended FPR	Recommended DR Factor
2011	2012 / 2013	15.63%	15.6%	5.98%	1.0869	0.954
2011	2013 / 2014	15.40%	15.4%	5.90%	1.0859	0.956
2011	2014 / 2015	15.40%	15.4%	5.89%	1.0860	0.955
2011	2015 / 2016	15.39%	15.4%	5.90%	1.0859	0.955

Note: Avg. EFORd does not include Outside Management Control generator outage events.

* EFORd = Equivalent Demand Forced Outage Rate (See Part II, page 27)

RRS Year	Delivery Year Period	Calculated IRM	Recommended IRM	Avg. EFORd *	Recommended FPR	Recommended DR Factor
2010	2012 / 2013	15.50%	15.50%	6.26%	1.0827	0.954
2010	2013 / 2014	15.30%	15.30%	6.25%	1.0809	0.956
2010	2014 / 2015	15.30%	15.30%	6.25%	1.0809	0.956



Base Case - Expected Weekly Peak Load Profiles

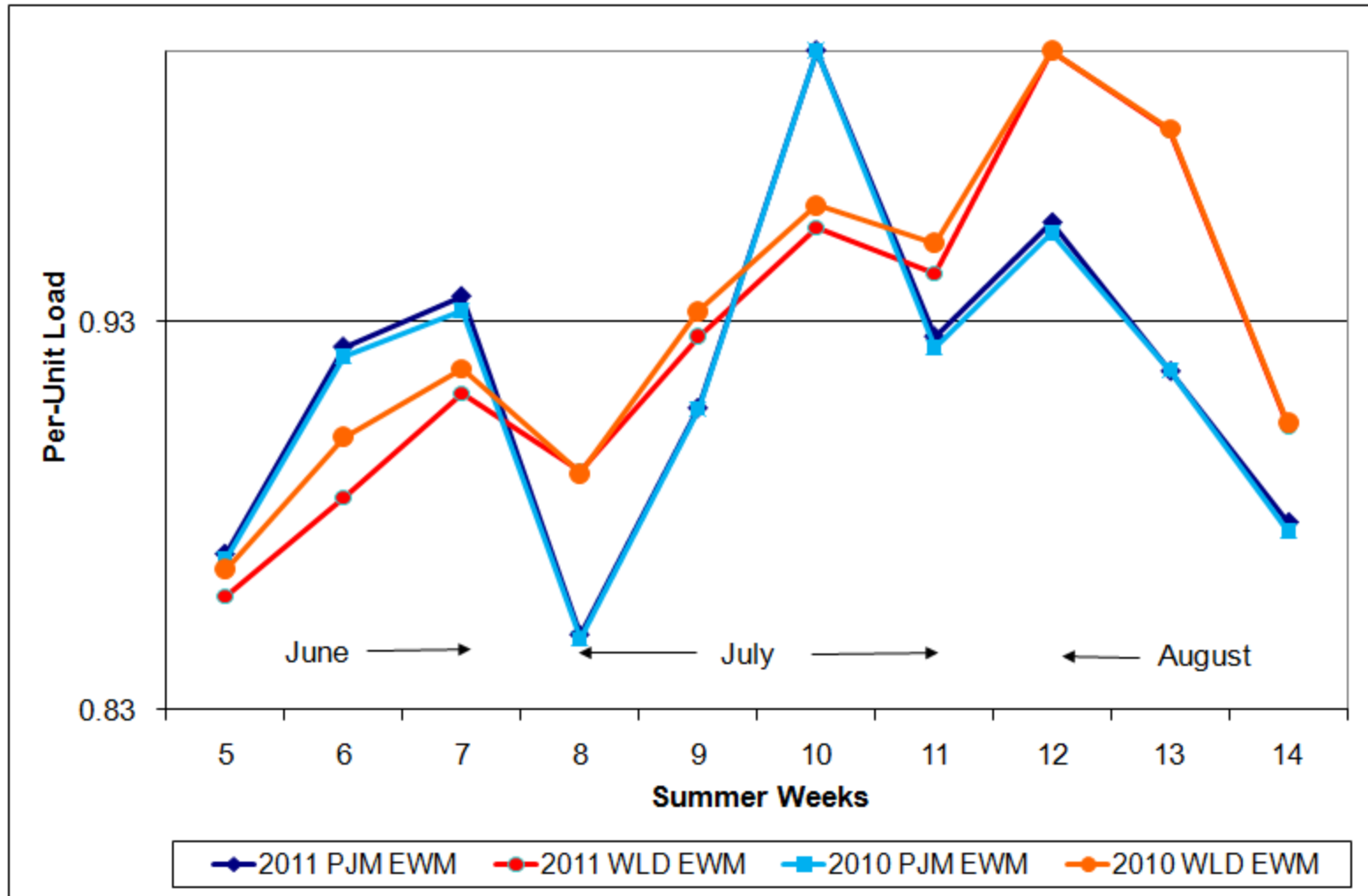
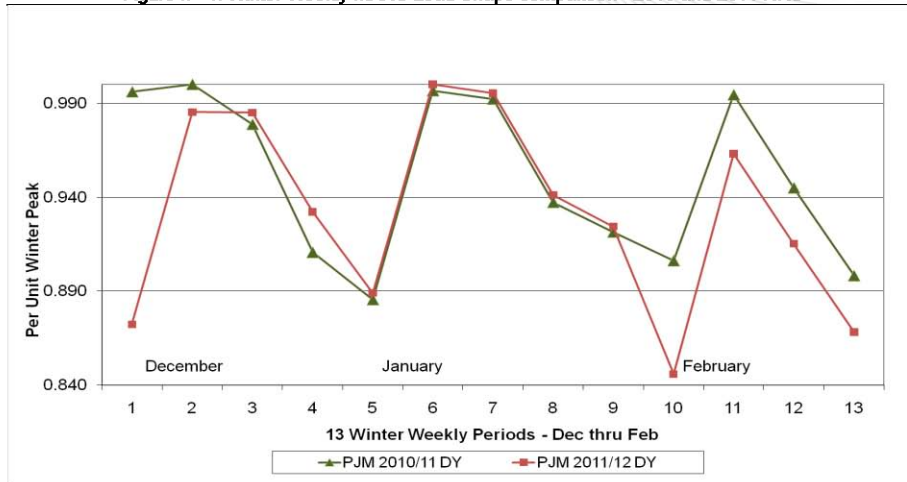


Figure II - 1: Winter Weekly MARS Load Shape comparison - 2010 and 2011 RRS



In Figure II – 12, the 2010 / 11 DY shape is from the 2010 RRS while the 2011 / 2012 DY is from the 2011 RRS model.

Table II - 1: Winter Weekly Reserve Target

Month	Calendar Week	% Weekly Reserves level for 1D/10 YR	LOLE (3rd Margin State)
December	49	36.35	0.00E+00
	50	21.21	1.09E-04
	51	21.78	3.22E-05
	52	28.78	0.00E+00
January	1	31.12	0.00E+00
	2	38.22	1.14E-04
	3	21.07	2.48E-05
	4	27.42	0.00E+00
	5	34.31	0.00E+00
February	6	38.29	0.00E+00
	7	21.42	1.12E-04
	8	21.49	0.00E+00
	9	28.56	0.00E+00
Average Weekly Reserves		28.46	

- Pages 50-51 of report.
- Target = 29%
- Increase from 26% target from last year is due to lower PJM load levels in weeks 1, 10 and 13.

- Endorsement of IRM, FPR and DR Factor for Delivery Years 2012/13 – 2015/16 as indicated on slide 5. (Received unanimous endorsement from RAAS.)
- Endorsement of Winter Weekly Reserve Target Value of 29% for 2011/2012 winter operating period as indicated on slide 8. (Received unanimous endorsement from RAAS.)
- Comments on RRS Report

- PC meeting on October 5
 - Review report and vote on recommendation to MRC
- MRC meeting on October 12
 - Review report and vote on recommendation to MC
- MC meeting on October 20
 - Vote on recommendation to PJM Board
- December - January 2012
 - PJM Board approval of IRM, FPR and DR Factor for 2012/13, 2013/14, 2014/15 and 2015/16