Intermittent Resources Task Force
Cost Allocation of Wind Power Forecasting Tool & Operating Reserves

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February 13, 2013
• Integration of wind production forecasting into Day Ahead and Real-Time scheduling and commitment
  – Recommend methodology for allocating wind production forecasting costs, and potential changes to how operating charges are applied to intermittent resources
  – Recommendation to MIC in April 2013
## Issue Work Plan

### Cost Allocation of Wind Power Forecasting Tool and Operating Reserves

<table>
<thead>
<tr>
<th>Meeting Dates</th>
<th>Topics</th>
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<tr>
<td>October 22, 2012</td>
<td>• Present Work Plan&lt;br&gt;• Provide education</td>
<td>X</td>
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<tr>
<td>December 17, 2012</td>
<td>• Interest documentation&lt;br&gt;• Review component options&lt;br&gt;• Package components to create solutions</td>
<td>X</td>
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<tr>
<td>February, 2013</td>
<td>• Review and reduce solution packages&lt;br&gt;• Build consensus</td>
<td>X?</td>
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<tr>
<td>April, 2013</td>
<td>• Recommendation&lt;br&gt;Presented to MIC</td>
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• Two Design Components
  – Cost Allocation
    • Who should be assessed the fees from the Wind Forecasting Tool?
  – Operating Reserve Charges
    • Who should be assessed Operating Reserve Charges?
Solution Packages

Package 1 – Status Quo

• PJM pays for the central wind power forecasting services and costs are recovered via an Administrative Fee per the PJM Tariff
• Operating Reserve Charges are allocated to wind and other resources for deviations in real time from day ahead schedules.

Package 2

• Fee for the central wind power forecasting services will be assessed to the wind projects
• Operating Reserve Charges are not allocated to wind resources that are participating in the wind power forecasting services if they are following their forecast within a new expanded threshold.