2015 Day Ahead Scheduling Reserve Requirement

Performance Compliance
DASR Req. = LFE + FOR Components
– Time Period Winter 2012 through Fall 2014

Load Forecast Error (LFE) Component
• 3 year average of Under forecasted LFE

Forced Outage Rate Component
• 3 year average of eDART Forced Outages, submitted after D-1 18:00, effective after D 8:00 ending before D 20:00
DASR Requirement Components

<table>
<thead>
<tr>
<th>Season</th>
<th>Load Forecast Error Component</th>
<th>Forced Outage Rate Component</th>
<th>DA Sched.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80th Percentile Absolute Error</td>
<td>All Forced Outage Tickets</td>
<td>Reg.</td>
</tr>
<tr>
<td>Winter</td>
<td>2.35% 1.99% 2.36%</td>
<td>3.98% 4.18% 4.27%</td>
<td>4.14% 6.38%</td>
</tr>
<tr>
<td>Spring</td>
<td>2.21% 1.54% 3.22%</td>
<td>3.45% 4.09% 3.42%</td>
<td>3.65% 5.98%</td>
</tr>
<tr>
<td>Summer</td>
<td>1.81% 2.38% 1.79%</td>
<td>3.73% 3.21% 3.34%</td>
<td>3.43% 5.42%</td>
</tr>
<tr>
<td>Fall</td>
<td>1.50% 1.89% 2.00%</td>
<td>4.48% 2.83% 3.96%</td>
<td>3.76% 5.55%</td>
</tr>
<tr>
<td>Annual</td>
<td>2.14%</td>
<td>3.75%</td>
<td>5.88%</td>
</tr>
</tbody>
</table>

- 2015 LFE component is 2.14% (up 0.03%)
- 2015 FOR component is 3.75% (down 0.41%)
- Preliminary 2015 DASR Requirement is 5.88%
2015 DASR Requirement Review

• 2014 DASR Requirement was 6.27%, preliminary 5.88%
  • Added DEOK effective 1/1/2012 (mid-Winter 2012)
  • Added EKPC effective 6/1/2013 (Summer 2013)
  • October 2014 is ongoing (Fall 2014)

• Small decrease in Load Forecast Error & Forced Outage Rate components

• Review in October, Approval in November, Implement in January
Changes to DASR Requirements

• MIC – Energy Reserve Pricing & Interchange Volatility working group is looking at increasing DASR requirement on peak days.

• OATT Section 1.3.1D.02 & M11 Section 11.2.1
  • “Day-ahead Scheduling Reserve Requirement “shall mean the thirty-minute reserve requirement for the PJM Region established consistent with the Applicable Standards, plus any additional thirty-minute reserves scheduled in response to an RTO-wide Hot or Cold Weather Alert or other reasons for conservative operations.