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

#### Load Forecast Error Component

<table>
<thead>
<tr>
<th>Season</th>
<th>80th Percentile</th>
<th>Absolute Error</th>
<th>Rollup</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter</td>
<td>2.35%</td>
<td>1.99%</td>
<td>2.36%</td>
</tr>
<tr>
<td>Spring</td>
<td>2.21%</td>
<td>1.54%</td>
<td>3.22%</td>
</tr>
<tr>
<td>Summer</td>
<td>1.81%</td>
<td>2.38%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Fall</td>
<td>1.50%</td>
<td>1.89%</td>
<td>1.56%</td>
</tr>
</tbody>
</table>

#### Forced Outage Rate Component

<table>
<thead>
<tr>
<th>Season</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Rollup</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter</td>
<td>3.98%</td>
<td>4.18%</td>
<td>4.27%</td>
<td>4.14%</td>
</tr>
<tr>
<td>Spring</td>
<td>3.45%</td>
<td>4.09%</td>
<td>3.42%</td>
<td>3.65%</td>
</tr>
<tr>
<td>Summer</td>
<td>3.73%</td>
<td>3.21%</td>
<td>3.15%</td>
<td>3.37%</td>
</tr>
<tr>
<td>Fall</td>
<td>4.48%</td>
<td>2.83%</td>
<td>4.59%</td>
<td>3.97%</td>
</tr>
</tbody>
</table>

### Summary

- **2015 LFE component** is 2.15% (up 0.04%)
- **2015 FOR component** is 3.78% (down 0.38%)
- **Final 2015 DASR Requirement** is 5.93%
Load Forecast Error: Under-forecasts

- 80th Percentile of Underforecast Error
- 80th Percentile of Absolute Error
2015 DASR Requirement Review

• 2014 DASR Requirement was 6.27%, 2015 is 5.93%
  • Added DEOK effective 1/1/2012 (mid-Winter 2012)
  • Added EKPC effective 6/1/2013 (Summer 2013)
  • October 2014 is complete (Fall 2014)

• Small increase in Load Forecast Error & small decrease in Forced Outage Rate component

• 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.