Review of BOR Cost Allocation

EMUSTF
March 13, 2014
This BORCA process determines the TOTAL COST (credits) of BORs
Balancing Operating Reserve Cost Allocation

- RT Deviations Region
- RT Deviations RTO
- RT Reliability Region
- RT Reliability RTO
- RA Deviations Region
- RA Deviations RTO
- RA Reliability Region
- RA Reliability RTO

1/1/2012 to 12/1/2013

- $70,000,000
- $60,000,000
- $50,000,000
- $40,000,000
- $30,000,000
- $20,000,000
- $10,000,000
- $0
- $-(\text{negative cost})

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BOR Cost Allocation

• BORCA cost allocation is volatile
• Peaks occur during extreme weather conditions and when gas costs are high
• RTO RT Deviation allocation consistently contributes to the total
  – PJM can investigate this bucket further to determine if any improvements can be made