

8.4A Non-Performance Assessment

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The Performance Shortfall for a resource or PRD Provider is calculated as Expected Performance minus the Actual Performance. If the Performance Shortfall for such resource or PRD Provider is a positive number, the under-performing resource or PRD Provider is subject to a Non-Performance Charge. If the Performance Shortfall is a negative number, the over-performing resource or PRD Provider may be eligible for Bonus Performance Credit. For generation resources with a positive Performance Shortfall amount, the Performance Shortfall may be adjusted downward due to exempt MWs. Exempt MWs consist of the following:

- Unavailable MWs associated with a generator's approved planned or maintenance outage during the Performance Assessment Interval;
- MWs for which the resource was not scheduled to operate by PJM; or
- MWs for which the resource was on-line but was scheduled down by PJM based on the determination by PJM that such scheduling action was appropriate to the security constrained economic dispatch of the PJM Region¹.
- If such resource was needed by PJM and would otherwise have been scheduled by PJM to perform, but was not scheduled to operate, or was scheduled down solely due to (1) any operating parameter limitations submitted in the resource's offer or (2) submission of a market-based offer higher than its cost-based offer, then these MWs will not be considered exempted and will not result in a downward adjustment to the Performance Shortfall.
- For purposes of the Non-Performance Assessment for demand resources, compliance will be measured in accordance with Section 8.6 of this manual.
- During the Performance Shortfall calculation and the exempt MW determination, PJM will ensure that each energy offer complies with Manual 11, Section 2.3.7 and has the required associated information. If this information is not included, then no MWs will be exempt.

For Non-Performance Assessment purposes, the Actual Performance of any resource that has both Base Capacity Commitments and Capacity Performance Commitments will first be assigned to meet the resource's Expected Performance as a Capacity Performance Resource with any remaining Actual Performance next assigned to meet the resource's Expected Performance as a Base Capacity Resource.

For Performance Assessment Intervals occurring outside of the summer period (June-September), Generation Capacity Resources that have a Base Capacity commitment, and Base Capacity Demand Resources, are not evaluated for non-performance, but are eligible for Bonus Performance Credit. For Base Capacity Generation Resources, the Bonus Performance quantity is equal to the resource's Actual Performance minus the resource's Expected Performance. For Base Capacity Demand Resources, the Bonus Performance quantity is equal to the resource's Actual Performance.

For purposes of calculating Bonus Performance quantity, the Actual Performance for a dispatchable resource shall not exceed the MW level at which such resource was scheduled and dispatched by PJM [1 – Scheduled MW appropriate to the security constrained economic is determined based on the results of the Dispatch Run described in Manual 11.](#) [2 – Scheduling and dispatch shall be determined based on the results of the Dispatch Run described in Manual 11.](#)

during the Performance Assessment Interval². During the Bonus Performance quantity calculation, PJM will ensure that each energy offer complies with Manual 11, Section 2.3.7 and has the required associated information associated. If this information is not included, then the Bonus Performance quantity will be zero. For self-scheduled generation resources not dispatchable by PJM, the Actual Performance will not exceed the LMP Desired MW value as calculated by PJM based upon the higher of the cost or price schedules submitted for the resource, and will be zero if the LMP Desired MW is less than the lowest point on the higher of the cost or price schedules submitted for the resource

1 – Scheduled MW appropriate to the security constrained economic is determined based on the results of the Dispatch Run described in Manual 11.

2 – Scheduling and dispatch shall be determined based on the results of the Dispatch Run described in Manual 11.