

IDENTIFICATION OF OFFLINE GENERATION RESOURCES FOR THE CALCULATION OF REAL-TIME SECONDARY RESERVE OPPORTUNITY COSTS IN SETTLEMENTS

Issue Source

Initiated by PJM

Issue Content

Tariff, Attachment K-Appendix, section 3.2.3A.01(f)(v) and the parallel provisions of Operating Agreement, Schedule 1, section 3.2.3A.01(f)(v) state that Secondary Reserve market opportunity costs for generation resources not synchronized to the grid, such as offline resources, should be zero. However, because PJM's real-time security constrained economic dispatch ("RT SCED") software calculates and assigns Secondary Reserves on a ten-minute ahead basis, resources not synchronized to the grid during market clearing appear to have zero opportunity costs for purposes of RT SCED's Secondary Reserve assignment but, by virtue of being synchronized to the grid and online during the time such resource is expected to perform, may ultimately be assigned opportunity costs because revenue quality meter data is used to determine a resource's online/offline state for market settlements purposes. Thus, PJM proposes to define and enhance the settlements methodology used to identify generation resources as offline.

Key Work Activities and Scope

1. Review background on the current settlements methodology used to identify a generation resource as offline resulting in zero real-time Secondary Reserve opportunity costs.
2. Discuss the proposed solution seeking to use the RT SCED case market clearing data to identify a resource as offline for the real-time Secondary Reserve opportunity cost settlement calculations.

Expected Deliverables

1. Proposed Manual 28: Operating Agreement Accounting revisions to define the methodology used to identify resources as offline and therefore ineligible for real-time Secondary Reserve real-time opportunity costs.

Decision-Making Method

Quick fix, Tier 1 decision making

Stakeholder Group Assignment

The issue will use the Quick Fix process in accordance with Manual 34 section 8.6.1 and will be assigned to the Market Implementation Committee (MIC) for Issue Charge approval and solution endorsement.

Expected Duration of Work Timeline

Immediate start – two months in duration

Start Date	Priority Level	Timing	Meeting Frequency
Add Date	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).

More detail available in M34; Section 6