

FLEXIBLE RESOURCE LOST OPPORTUNITY COSTS ELIGIBILITY

Issue Source

PJM is bringing this issue forward for stakeholder consideration. The issue was identified during discussions between the IMM and PJM.

Issue Content

Issue is related to Flexible Resources that are defined as resources with a minimum run time of two hours or less and a time to start of two hours or less (i.e. 2x2 parameter criteria).

Flexible Resources, eligible to be called on by PJM, that clear the Day-Ahead Energy Market are expected to remain offline until committed by PJM in real time or they decide to self-schedule.

Conversely, all non-flexible resources (i.e. resources that meet the 2x2 parameter criteria) are expected to follow their day-ahead commitment in real-time. PJM Dispatch will call the non-flexible CTs to coordinate their startup.

Because Flexible Resources are not expected to automatically run in their day-ahead committed hours, they are eligible to receive lost opportunity cost (LOC) credits if PJM does not call them on in real-time or they do not decide to self-schedule.

Opportunities exist to consider whether a resource should be considered Flexible if there are differences in startup time, notification time and min run time parameters amongst the available schedules.

Key Work Activities and Scope

- 1) Education on Flexible Resource definition, commitment practices and lost opportunity cost eligibility.
- 2). Develop solutions to more clearly define a Flexible Resource to ensure efficient market outcomes.
- 3) Out of Scope areas include:
 - a. Updates to schedule selection logic in IT SCED.

Expected Deliverables

- 1 |** Proposed solution to address Flexible Resource lost opportunity cost eligibility rules.
- 2 |** Corresponding revisions to the PJM Tariff or other governing document provisions consistent with the solution proposed will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC approved solution will be brought to the appropriate Standing Committees for review and endorsement.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal.

Stakeholder Group Assignment

Work to be performed within MIC meetings under the CBIR Lite process.

Expected Duration of Work Timeline

Work is expected to take about 3 months to complete. Work should begin in January 2026 and complete in the first quarter of 2026. This work should be performed quickly to reduce the inefficient payment of lost opportunity costs.

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

(check one box)

<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