

Problem/Opportunity Statement

Dual Fuel Schedule Requirements

Problem / Opportunity Statement

This Problem/Opportunity Statement is brought by Constellation Energy Generation, LLC to address a limitation imposed by PJM's software platforms. Under certain circumstances dual fuel resources are unable to enter their schedules for both the primary and alternative fuel for optimization in PJM's software. This is especially the case where a fuel switching period is required. The current Manual 11 language is inconsistent with the Reliability Assurance Agreement (RAA) definition of dual fuel resources and language in Manual 11 regarding the schedule that a dual fuel resource must submit to PJM regarding its alternate fuel, as well as what PJM has previously told FERC regarding its implementation of dual fuel ELCC classes. Furthermore, existing Manual 11 language recognizes other limitations such as "limitations due to energy or environmental limitations imposed on the generating unit by Applicable Laws and Regulations."

The RAA defines either a dual fuel gas combined cycle or dual fuel gas combustion turbine resource as a resource that is "capable of operating on the alternate fuel for two 16-hour periods over two consecutive days at its maximum capacity level." Based on this definition, which contemplates gas as the "primary" fuel, the RAA contemplates a limited schedule for the alternative fuel comprised of 16-hour periods on two consecutive days.

The current language in Manual 11, Section 2.3.3.1 requires the resource submit "an available schedule for the primary fuel and an available schedule for the alternative fuel" in order to meet its energy must-offer requirement (emphasis added). This language could be interpreted to require these dual fuel units to submit "available" energy offers for both fuels for each hour of each day, however, the RAA ELCC dual fuel eligibility criteria does not support requiring available cost schedules for both fuels at all times. Nothing in the must-offer rules (Operating Agreement, Schedule 1, section 1.10.1A(d)) compels this result, either. The must-offer rule is satisfied by offering into the day-ahead energy market.

In addition to being inconsistent with the tariff, the new manual changes are inconsistent with what PJM told FERC about how it would implement this new ELCC class. In November 2023, FERC staff issued a deficiency letter in response to PJM's ELCC filing (ER24-99). The deficiency letter asked PJM to explain how the dual fuel ELCC class qualification requirements would be enforced. In PJM's response, PJM said the qualifications would be enforced through a seller attestation and the threat of an Enforcement referral. With respect to the referral, PJM said that if the seller "does not mark their energy market schedule on the alternative fuel as available for the required time . . .," that conduct could lead to a referral. The "required time" presumably refers to the 16-hour rule in the winter season.

As noted above, existing Manual 11 language already recognizes potential limitations on the alternative fuel "due to energy or environmental limitations imposed on the generating unit by Applicable Laws and Regulations." Revised Manual 11 language is needed to recognize limitations imposed by PJM's software platforms.

Revised Manual 11 language is also required to ensure application of the alternative fuel schedule requirements that are consistent with the language of the RAA and PJM's expressed explanation to FERC. Additionally, revised language will ensure that a resource's "fuel switching" time is honored.

Because the inconsistency between the RAA requirements and Manual 11 can be addressed through clarifying revisions to Manual 11 this Problem/Opportunity Statement can be addressed through a "Quick Fix" process.