

Dual Fuel Schedule Requirements

Issue Source

Constellation Energy Generation, LLC and PJM

Issue Content

This ~~quick fix~~ Issue Charge is brought to address a limitation ~~imposed by PJM's software platforms related to dual fuel units. Current market rules may not accommodate reflecting dual fuel resources that require transition time to switch fuel under all conditions. 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. This issue charge~~The proposed Manual 11 changes~~ will clarify the requirements for that a dual fuel resource should provide schedules for both the primary and alternative fuel as long as PJM's software platforms cannot violate the resource's operational parameters. This provision is substantively similar to the previous limitation in Manual 11 for energy or environmental limitations imposed by applicable laws and regulations. This Any solution will be~~clarification is also~~ consistent with the RAA's definition of a dual fuel resource as either a CC or CT capable of operating on the alternate fuel for two 16-hour periods over two consecutive days at its maximum capacity level.

The second limitation is related to the way the PJM Day Ahead Market selects the most economic (least cost), available schedule. Dual fuel units are obligated to submit valid schedules for both primary (normally natural gas), and backup (diesel, etc.) schedules. The scheduling software selects the least cost schedule that meets the reliability requirement. As observed in Winter Storm Fern, and other winter operations, natural gas prices can increase during peak winter operations. This causes the scheduling software to select the cheaper fuel – in this case – oil, which depletes oil inventory. This situation is likely limited to multi-day, peak load, cold weather operations. However, it is important that PJM have a limited ability to manage backup fuel for limited periods of time. The opportunity here is for stakeholders to develop the limited conditions under which PJM should implement this; the approach to communicate and implement; and the tools needed.

This issue is largely a reliability issue.

Key Work Activities and Scope

- Education:
 - Review ELCC Class Definitions, Reliability Assurance Agreement, Article 1
 - Review Capacity Resource Offer Rules and Markets Gateway functionality, Manual 11, Section 2.3.3.1.
 - Review Current Dual Fuel switching procedures:
 - <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mic/2024/20240807/20240807-item-06---updated-guidance-for-offering-dual-fuel-units.pdf>
 - <https://www.pjm.com/-/media/DotCom/etools/markets-gateway/ido-dual-fuel-faqs.pdf>

Issue Charge

- As needed, develop revisions to PJM Manuals. Review changes to Manual 11, Section 2.3.3.1 to ensure consistency with ELCC Class Definitions and limitations imposed by PJM's software platforms.

Expected Deliverables

Conforming manual language revisions as described in the attached document. Updates to Operating Agreement, Tariff and Manuals as required

Decision-Making Method

[Quick-Fix](#)[CBIR](#)

Stakeholder Group Assignment

Markets Implementation Committee (MIC)

Expected Duration of Work Timeline

MIC First Read: February

MIC Vote: ~~April~~March

MRC First Read: ~~July~~March

MRC Vote: ~~April~~August

Start Date	Priority Level	Timing	Meeting Frequency
Click here to enter a date.	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input type="checkbox"/> Immediate <input checked="" 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 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

