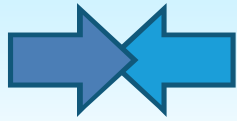


RCSTF – Poll Debrief

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Market Design
June 9, 2025
RCSTF

PJM's main priorities are in-line with the stakeholder poll response.



Alignment of operational needs
and markets requirement to support
reliability



Price formation – appropriate and reflect
the value and cost of reserves

Top priority for discussion:

- New or updated reserve products to address ramping and uncertainty to address the challenge that PJM's markets do not value and procure ramping and flexibility needs to manage forecast uncertainty
- Market rules for reserve offers to address the challenge that the cost of advanced fuel arrangements and other availability measures to provide reserves in the next operating day may at times be unrecoverable through PJM's existing market constructs
- ORDC definition for new products and interaction between products

<p>Less support received for the following areas:</p>	<ul style="list-style-type: none"> • Addressing the DA “energy gap” • Additional enhancement to the synch reserve/primary reserves
<ul style="list-style-type: none"> • Addressing the DA “energy gap” 	<ul style="list-style-type: none"> • PJM believes this is operationally critical, especially during high risk days. This needs to be addressed prior to exploring multi-day market in order to ensure proper reserve commitments • Will continue to explore solutions to bridging the DA commitments to support a reliable operating plan through the uncertainty requirement • Not prioritizing conversations around a new DA Imbalance Reserve product, in isolation
<ul style="list-style-type: none"> • Additional enhancement to synch reserves/primary reserves 	<ul style="list-style-type: none"> • Not prioritizing additional SR/PR reforms. May propose additional reforms as they fit in the larger reserve proposal.

Large support received for the following areas:

- The PJM Energy and reserve markets cannot produce multi-day commitments or commitments before the Day-Ahead Market.
- PJM lacks clear and defined market rules for units scheduled before the Day-Ahead Market.

The multiday commitment challenge is a priority for PJM but not something PJM's reserve markets can solve.

The RCSTF's focus is on aligning markets with daily operational needs. Reflecting the cost of providing reserves in market clearing will help; prices reflect actual costs and lower, but not eliminate, uplift.

The MIC is where PJM believes the scheduling procedures and compensation for units committed in advance of the day-ahead should be addressed.

- Fuel recovery for multi-day commitments
- Make-whole provisions for resources with advanced multi-day commitments
- Rules for how they show up in the DA/RT energy and reserve markets

Not supportive of exploring a multi-day market at this time

- Complexity and time required to design and implement a multi-day market would be a multi-year effort for just a few impacted days
- Unclear that a multi-day market will be able to identify and commit the specific resources that need to be called on early to mitigate specific units' operational risks
 - Other foundational changes are needed before considering multi-day markets
- No other ISO has successfully designed or implemented one and likely large interregional coordination would be needed for this effort

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PJM Position on RCSTF Priorities

A green speech bubble containing a large black question mark, positioned above a blue speech bubble with three horizontal lines, indicating a question or contact point.

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