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PJM Comments Following November 18, 2025 Reserve Certainty Senior Task Force Meeting

Agenda Item 03: IMM Five Minute Dispatch

High-level comment: PJM is supportive of enhancements that allow resources to represent their units accurately to PJM; such as the efforts the IMM and PJM have been undertaking with generation resources accurately reflecting their SynchMax value and the planned combined cycle model in nGEM. PJM also agrees eligibility criteria should be used to determine resources carrying reserves. For example, fixed gen resources should not hold a reserve assignment if they are unable to respond, and adding transparency on expectations and must-offer requirements is beneficial.
PJM disagrees with the IMM comment that these areas need to be resolved before making any changes to the reserve markets. These enhancements should be addressed in *parallel* to the needed reserve reforms. The ability to accurately reflect reserve needs in the market is a priority for reliability and PJM cannot wait to address these needed reforms.

Agenda Item 05: IMM Proposal

Slide 4: Secondary reserves have operational utility as backfill reserves and addressing energy uncertainty; Primary reserves is intended for contingency response, not backfill energy, and PJM cannot rely on available primary reserves for backfill energy.

- See PJM Presentation: 20250917-item-03---nerc-bal-standards-and-pjm-compliance-approach.pdf
- See Reliability First Presentation: 20251118-item-02---rf-system-reserves.pdf

It is important to note in the Reliability First presentation the emphasis that traditional resource adequacy methods are no longer enough, due to a quickly changing and evolving system. The importance of adequate reserves to meet the changing needs of the system when considering the increase in intermittent resources and projected resource gaps is critical.

Slide 6: The 30-minute supply the IMM identifies such as max emergency generation, 30 minute demand response, and recallable exports are all parts of varying emergency procedures in PJM. PJM does not invoke these actions on a daily basis and would not use these actions to meet reserve needs. PJM is considering how these actions should be accounted for in reserve requirements when PJM is operating in the applicable emergency procedures. PJMs position is to be proactive and assign resources ahead of

time to avoid emergency procedures and only to use them as a last resort. The amount of MWs available from Maximum Emergency is very minimal.

Slide 16: PJM's system has more risk and uncertainty Day-Ahead than in Real-time that needs to be reflected in the Day-Ahead market to allow PJM to commit the appropriate Operating Reserves. PJM does this out-of-market today in the reliability commitment process and representing these needs in the market will allow for earlier commitments, which provides a reliability value to the system, particularly during cold weather operations. Earlier commitment of generation resources will provide more time for resources to procure fuel and to prepare their unit (s) to operate reliably.

- See PJM Presentation on Elevated Risk: 20251015-item-04---elevated-risk-days.pdf
- See PJM Presentation on Operational Uncertainty: 20250827-item-02---uncertainty-and-risk-framework.pdf

Slide 21: PJM disagrees with the IMM that the market should not value the needed reserves on the system, or that when we do represent the value of reserves that we impose "shortage pricing when the market is not short". PJM needs to set market requirements to align with operational needs – representing those in the market is appropriate to accurately reflecting the needs of the system and provide the appropriate price signals for the system flexibility needs long-term investment signals.