

Locational Reserves

RCSTF

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IMM



Monitoring Analytics

IMM's Position

- **IMM's Proposal**
 - **Per existing rules, a new reserve subzone should be created only based on clearly defined criteria.**
 - **Clear the market with subzonal reserve requirements.**
 - **Subzonal reserve requirements should be based on uncertainty studies similar to appropriately defined RTO uncertainty studies.**
 - **Reserve transfers between the RTO and subzone should be limited by the available transmission capacity.**
 - **No reductions in transmission facility ratings should be applied by PJM.**

PJM's Proposal

- **PJM's Proposal**
 - **Nodal reserve assignments**
 - **Create a congestion constraint for reserves**
 - **Aggregate reserves would be distributed to generators**
 - **Every generator would have a reserve assignment**
 - **PJM has yet to propose a method for distributing the reserves to the individual generators**
 - **PJM's proposal lacks other implementation details**

Locational Reserves

- **Any nodal distribution scheme would be arbitrary**
 - **We don't know “where” the next generation trip or forecast error could occur**
- **PJM's proposal would increase the cost with no commensurate benefit**
 - **Satisfying nodal reserve congestion constraint would require redispatching expensive resources resulting in higher costs and prices**
 - **Nodal reserve assignments are unlikely to satisfy PJM's future unknown need for locational reserves**

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