

Intelligent Reserve Deployment M-11 & M-28 Revisions

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Manual 11

• 2.7 – Locational Pricing Calculator (LPC)

 Added new language that an approved IRD case supersedes any other approved RT SCED cases for the same target time to be used as the reference case for LPC.

- 4.2.6 Synchronized Reserve Commitment
 - Added clarifying language that resources committed for Tier 2 MWs are obligated to follow dispatch instructions in response to a Synchronized Reserve Event.

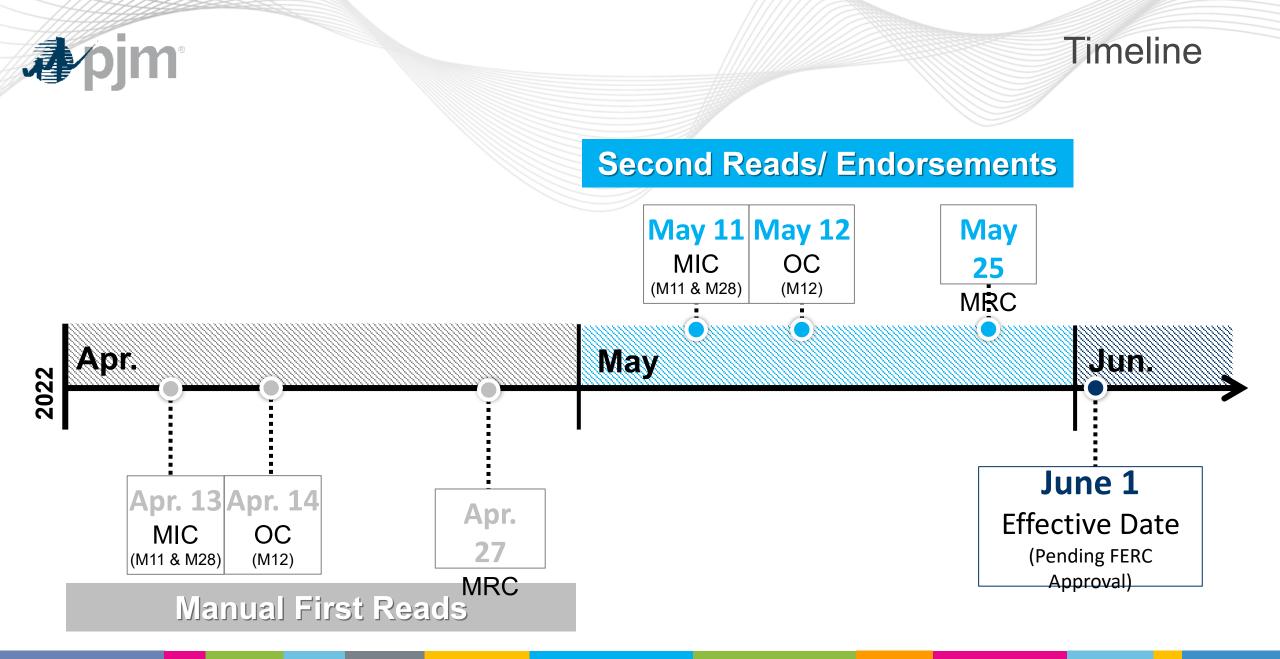


- 4.2.10 Settlements
 - Removed language to credit Tier 1 resources for overresponse to a Synchronized Reserve Event.
- 4.2.11 Verification
 - Added clarifying language that the response to a Synchronized Reserve Event is based on the resource following dispatch instructions and is capped at the expected response.
- 4.2.12 Non-Performance
 - Added clarifying language that Tier 2 non-performance penalties apply to resources that do not respond with the lesser of their assigned amount or PJM calculated expected response.



Manual 28 Section 6

- 6.1
 - Fixed a reference typo from M11, 4.2.11 to M11, 4.2.10
- 6.2.1
 - Added clarification language to acknowledge that Manual 11 determines the response MW value used in settlements
- 6.3.3
 - Distinguished how the Shortfall MW are calculated for Demand Resources (aggregation allowed) and Generators (aggregation not allowed)







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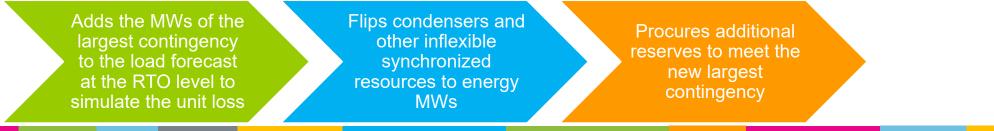


Appendix: IRD Overview



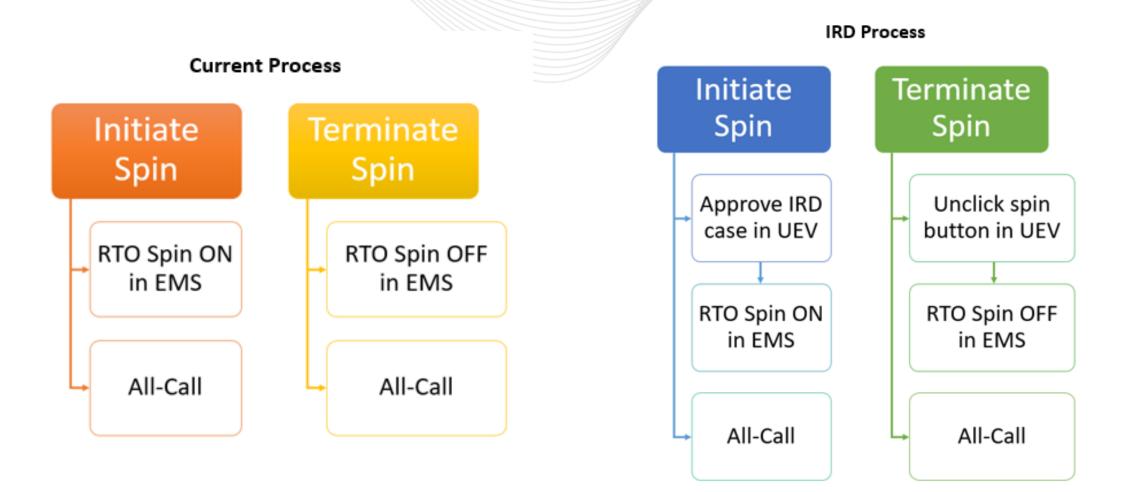
IRD Overview

- Intelligent Reserve Deployment (IRD)
 - IRD is a SCED case that simulates the loss of the largest generation contingency. Approval of the case will trigger a spin event.
 - Economic dispatch based on real-time input including constraints
 - Converts inflexible reserve MWs to energy
 - Readily available for use, no lag time
 - Initiates faster response until appropriate RTSCED case available



Apjm

IRD Process





IRD Effects

- Updated economic basepoints to replace all-call instructions.
 - All-call will still go out for communication purposes
- Active constraints will be controlled by IRD.
 - Target resources that do not adversely impact constraints
- IRD instructions will be priced in the subsequent interval.
 - Supersedes approved RTSCED cases for the same interval
- Dynamic performance evaluations based on event dispatch.
 Status quo for Demand Response
- Smooth transition in and out of events with continued SCED usage
 - Updated basepoints to reduce manual actions required