

Emergency Operating Instruction Compensation

Problem / Opportunity Statement

At the December, 2017 MRC meeting, stakeholders approved changes to PJM Manual 03: Transmission Operations and Manual 13: Emergency Operations, which included a new section to address gas contingency impacts on the electric system. Stakeholders requested PJM to bring forward a Problem Statement and Issue Charge to examine the costs associated with Operationalizing Gas Pipeline Contingencies.

In the event that PJM issues an Operating Instruction¹, resulting from, either emergency conditions or conservative operations associated with gas-pipeline contingency analysis (PJM Operating Instruction), that instructs a generator to make certain operational changes, normally made at the discretion of the generation owner, there is a potential that generator may incur costs, arising from complying with PJM Operating Instructions. Currently, some of these costs are not covered in the PJM governing documents. There is a concern that generators may not have a means to recover their costs incurred by following a PJM Operating Instruction.

¹ Operating Instruction as defined by NERC: A command by operating personnel responsible for the Real-time operation of the interconnected Bulk Electric System to change or preserve the state, status, output, or input of an Element of the Bulk Electric System or Facility of the Bulk Electric System. (A discussion of general information and of potential options or alternatives to resolve Bulk Electric System operating concerns is not a command and is not considered an Operating Instruction.)

https://www.nerc.com/pa/Stand/Glossary%20of%20Terms/Glossary_of_Terms.pdf