

Capacity Market Reform Phase 2 Reliability Services Update

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Markets and Reliability Committee

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- The Resource Adequacy Senior Task Force (RASTF) was formed to discuss capacity market reform topics beyond the CIFP-MOPR and recommend possible changes to the capacity market.
- The RASTF is discussing many topics such as capacity procurement, qualification and performance, and more.
 - Some topics will be addressed in other stakeholder venues
 - RASTF will serve as a central group to coordinate those efforts

Evaluating the need for PJM's procurement of additional reliability-based services, with a particular focus on reliability needs in the face of the changing resource portfolio and increased penetration of intermittent resource technologies

Deliverables:

- Initial discussion, education and assessment of reliability products and services shall be performed in the OC.
- Such initial discussion, education and assessment shall occur and a decision on initial direction determined at the OC by end of Q1 2022.
- Depending on the outcome, the appropriate Problem Statement(s) and Issue Charge(s) shall be established through a vote at the MRC.

- January:
 - Confirmed the list of generator “reliability attributes” the OC reviewed as part of the evaluation for the procurement of additional reliability services.
 - Finalized the evaluation methodology in the Reliability Attribute Evaluation Matrix
- February and March:
 - Completed the Evaluation Matrix and developed the recommendations for the initial direction for potential new reliability services that will be reported to the RASTF or the appropriate Committee
- April:
 - Endorsed recommendations

- Reactive Capability and Supply:
 - Stakeholders should discuss reactive capability and supply considerations in the RPCTF to ensure that we are able to utilize, measure, and compensate the full reactive capability of synchronous and non-synchronous generators independent of their power output and the ability of all resources to follow voltage schedules and demonstrate performance.
- Regulation:
 - Recommend reviewing the existing regulation market signals and consider future system needs as part of the Regulation Market Redesign Issue Charge in the MIC

- **Flexibility:**
 - The OC recommends the Energy Price Formation Senior Task Force (EPFSTF) consider how to value flexibility within existing or modified ancillary services.
- **Fuel Assurance:**
 - The OC recommends the RASTF explore how to value fuel assurance for all resources.
- **Energy Assurance:**
 - To ensure accurate data reporting occurs for renewable forecasting tools, PJM and Stakeholders, through the OC, should evaluate and streamline the methods for data submission. In addition, we may need to review the penalty structure in place if the data reporting requires in the PJM Manuals are not followed. A potential PS/IC will be brought forward to the OC to explore these concerns.

- **Black Start:**
 - Recommend monitoring the OC FRBSR activities and the RASTF activities for Flexibility, Fuel & Energy assurance of black start resources
- **Load following/dispatchability:**
 - Recommend monitoring these concerns under the “Renewable Dispatch” and “Operating Reserve Clarification for Resources Operating as requested by PJM” Issue Charges
- **Extreme Weather Performance:**
 - Recommend the RASTF consider specific unit performance requirements to manage extreme events.

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Capacity Market Reform Phase 2 – Reliability Services



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