PC/OC Special Session
Manual 21 Changes

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Proposed Change – Use median, rather than average capacity factors for wind and solar generators

- Average capacity factors used through DY24/25 for CIR calculations
  - Average values used for DY22/23 will remain static through DY24/25
- Median capacity factors used after DY24/25 summer for CIR calculations
  - May result in loss of CIRs for some wind units after summer 2024
    - Approximately a 40-60% loss of CIRs system wide for wind
    - A negligible loss of CIRs for solar
    - Will vary by unit
  - Seven years notice
  - CIRs are re-sellable/re-useable per OATT, section 230.4
  - Median capacity factor values will be used in RPM auctions starting DY22/23 BRA
- Is there agreement that the median is the correct number to use to determine the 50/50 probability of production for wind and solar units at summer peak?
Member Concerns – Move from average to median capacity factors for wind and solar generators

• Stranding of CIRs
  – What about the capital spent to attain CIRs?
  – What about projects already studied and under construction?
  – What about projects in the queue?
    • Projected in service prior to DY22/23
    • Projected in service DY22/23 or after
  – What about a process to handle these situations?
  – What other concerns do members have?
Proposed Change

PJM Requirement – Full plant simultaneous testing at PJM’s request in a requested time period

• Eliminate lost MW on buses that are unaccounted
• Alleviate proration of common load across units in a different ratio each testing period
  – PJM will have a net plant ICAP number to compare against the sum of the units’ ICAP at the plant
• PJM to give notice prior to the summer testing period
  – At least a two week window
  – These windows will be staggered for the requested plants
Member Concerns

PJM Requirement – Full plant simultaneous testing at PJM’s request in a requested time period

• Concerns regarding forced outages causing failure to test or causing scheduling issues within the given time period
• Burdensome for plants with economically diverse units (coal vs oil vs gas)
• Price suppression
• Out of the money (oil and expensive units)
• What other concerns do members have?
Proposed Change
Testing Period - July and August Only

- Ambient conditions will be closer to those coincident with PJM annual peaks
  - 90% of PJM annual peaks since 1998 have occurred in July or August
- Test conditions are more favorable in June even though generators adjust for ambient conditions
  - These favorable conditions may skew adjustments in some cases
- Hydro streamflow is typically lower during July and August
  - Majority of hydro tests during June
  - RAA, Schedule 9.C states that unit rating should be determined based on expected streamflow
  - Manual 21 states the test should also be based on peak summer conditions
    - Summer conditions are those at the site coincident with the times of the past 15 years PJM summer peaks
Member Concerns
Testing Period - July and August Only

- Large fleets are burdened with shorter testing season
- Forced outages cause uncertainty if a test will get done in the shorter time period
- PJM doesn’t like a lot of extra gen online for tests
- Price suppression
- Other member concerns?