

Synchronous Condensing Costs

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Cost Development Subcommittee
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- Synchronous condensers incur certain costs when operating in condensing mode.
 - Providing reserves, reactive support or post contingency operation
- Condensers provide PJM with three operating parameters and three financial parameters as part of their offer
 - Operating parameters: Energy Use (MW), Condense Notification Time, Condense to Generate Time
 - Financial parameters: Condense Startup Cost, Condense to Gen Cost, Condense Hourly Cost
- Issue originally brought to CDS in July, 2023

- Condensing costs are referenced in five sections of Schedule 1 of the Operating Agreement
- Problem: Terms are not defined in OA
- Current OA references to Condensing costs include:
 - “... offered prices for synchronous condensing..”
 - “... condense start-up cost...”
 - “... cost to provide synchronous condensing...”
 - “... startup cost of providing synchronous condensing...”
- Costs also referenced in M-11, M-15 and M-28

- Add definitions of the following terms to OA and update appropriate sections of OA, M-11, M-15 and M-28 to reference these definitions
 - Condense Startup Cost
 - Condense to Generate Cost
 - Condense Energy Use
- No change to intent of these terms, just adding definitions to OA

- Condense Hourly Cost was removed from M-15 as part of Reserve Price Formation changes on 10/1/22
 - Clean up M-11 and applicable OA sections to remove references to Condense Hourly Cost
 - Remove Condense Hourly Cost data field from Markets Gateway
 - Not being used currently
- No updates to cost offers or action by stakeholders is required

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Synchronous Condensing Costs



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