

## PJM Package Summaries for EMUSTF – November 9, 2016

### Phase 1, Package A:

PJM's package A is intended to make minimal changes to the current calculation of uplift costs in PJM. Design component 4a represents the only proposed change from the status quo. That component addresses what PJM believes to be a problem with the current uplift calculation methodology. The change is to include the day-ahead revenues from the hours the resource operated in real-time in the determination of Balancing Operating Reserve credits. The current method of including all day-ahead revenues can result in resources not being completely made whole for real-time operating costs because day-ahead revenues in hours in which they did not operate in real-time offset their make whole payment.

### Phase 2, Package Q:

Package Q's goal is to make minimal changes to the current uplift cost allocation process. It maintains the status quo for all design components except:

- include the withdrawal end of a UTC in the allocation of Day-ahead Operating Reserve charges identically to the way a cleared DEC is charged,
- include UTCs as a source and sink deviation in the allocation of Balancing Operating Reserves identically to the way an INC and a DEC transaction would be included, and
- remove the ability for Internal Bilateral Transactions to offset deviation charges.

### Phase 2, Package S:

Package S uses Package C as a base and makes several changes to address concerns that PJM has with Package C. Package S includes the following changes from Package C:

- Package S assumes the continuation of Day-ahead Operating Reserve credits and allocates those charges based on the status quo plus including the withdrawal end of a UTC identically to the way a cleared DEC is charged under the status quo, and
- ~~maintain the status quo allocations for design components~~maintain the concept of allocating make whole costs associated with emergency purchases and emergency demand response to net purchasers in real-time but eliminate the use of IBTs in this calculation (rows 27 and 29).~~-27 and 29 regarding make whole costs associated with emergency purchases and emergency demand response.~~