

Reserve Subzones

EPFSTF

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Purpose of Reserves

- **Maintain resource and demand balance and frequency in response to the loss supply (BAL-002)**
- **PJM requires additional online generation, not otherwise required or economic, to protect reliability from the potential loss of a generator**
- **Reserves are deliverable to load**
 - **If the loss of a specific generator is not supported by existing reserves, a new reserve area is necessary.**

Examples of Reserve Areas

- **RTO wide reserves support loss of a generator that is not behind a constraint.**
- **MAD Subzone, or other large area subzones, support loss of a generator that is constrained by a wide area IROL.**
- **Smaller constrained areas in PJM also require provision of reserves inside that area**
 - **BGE/PEPCO, Delmarva South**
 - **PSEG, Cleveland**

Current Practices

- **Reliability commitments**
 - High uplift
- **Closed loop interfaces**
 - Lack of transparency
 - Negative balancing congestion
- **Unit contingencies**
 - Based on natural gas pipelines
 - Pricing would function like closed loop interfaces.

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