Reserve Subzones

EPFSTF
May 23, 2018

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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.