



# Settlement Changes for Synchronized Reserve Market

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- Synchronized Reserve Obligation Details
- Synchronized Reserve Tier 1 Charge Summary
- Synchronized Reserve Tier 2 Charge Summary
- Synchronized Reserve Tier 2 Retroactive Penalty Charges

- Updated calculations
  - Sync Reserve Obligation
    - Current:  $\text{Total Subzone Obligation} * \text{Subzone Load} / \text{Total Subzone Load} + \text{Tier 2 Shortfall}$
    - Proposed :  $\text{Total Subzone Obligation} * \text{Subzone Load} / \text{Total Subzone Load} + \text{Sync Reserve Shortfall}$
  - Sync Reserve Purchases
    - Current:  $\text{MAX} (\text{Above Obligation Tier 1 Adjustment} - \text{Tier 2 Self-Scheduled}, 0)$
    - Proposed :  $\text{MAX} (\text{Adjusted Sync Reserve Obligation} - \text{Sync Reserve Self-Scheduled}, 0)$

- **Obsolete calculations**
  - Remaining Bilateral Reserve Obligation
    - Tier 1 estimate no longer applicable
  - Obligation Ratio Share of Excess Tier 1
  - Tier 1 Allocation to Obligation
  - Above Obligation Tier 1 Adjustment
    - No need to allocate Tier 1 excess

- This report will be retired since all charges will be allocated out based on total Synchronized Reserve credits.

- Updated calculations
  - SRMCP Charge
    - Current:  $\text{Above Obligation Tier 1 Adjustment} / \text{Total PJM Above Obligation Tier 1 Adjustment} * \text{Total PJM Sync Reserve Zone Tier 2 Credits}$
    - Proposed:  $\text{Adjusted Sync Reserve Obligation} / \text{Total Subzone Sync Reserve Obligation} * \text{Total Sync Reserve Zone Credits}$
  - Sync Reserve Lost Opportunity Cost Charge
    - The separate Sync Reserve LOC Charge Cleared and Added calculations are no longer needed since Total Zone Tier 1 Lost is not applicable

- Synchronized Reserve Tier 1 Credits
- Synchronized Reserve Tier 2 Credits
- Load Response Tier 1 Credits
- Load Response Tier 2 Credits

- Consolidated into a single report to calculate credits based on assigned Sync Reserve MW at the Sync Reserve Market Clearing Price
- Sync Reserve Lost Opportunity Cost Credit Cleared and Added calculations consolidated into one calculation



- Consolidated into a single report to calculate credits based on assigned and self-scheduled Sync Reserve MW at the Sync Reserve Market Clearing Price
- No change to the Lost Opportunity Cost Credit calculation