

# Synchronized Reserve Penalties and Offer Margin

EPFSTF

November 28, 2018

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# Event Performance Penalties

- **Penalties apply when cleared synchronized reserves do not respond to a spinning reserve event of 10 minute or longer duration.**
- **Penalties do not exceed past synchronized reserve revenues.**
- **Update to IMM proposal**
  - **Penalties should extend back to the last reserve event when the resource performed to its full obligation, but no longer than 12 months.**

# Synchronized Reserve Offer Margin

- **The current offer margin of \$7.50 per MWh is unjustified.**
- **The IMM's compromise offer margin recommendation of \$3.80 per MWh is unjustified.**
- **The only justifiable offer margin is \$0 per MWh.**
- **The IMM revises its recommendation to \$0 per MWh.**

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