PJM Comments on PFRSTF Solution Packages

Primary Frequency Response
Sr. Task force
September 26, 2018
PJM Concerns with AEP Package

• Does not address Problem Statement and Issue Charge
• Would codify that PFR for existing units is not required
  – Based on AEP PFR Exemption document
  – FERC Clarification on Order 842, issued 8/24/18, states existing resource must continue to provide Primary Frequency Response in accordance with PJM requirements
• Does not move beyond status quo - may be worse than status quo
• Could directly impact system restoration planning if units don’t have PFR capability
  – Difficult to predict where electrical islands may form during a disturbance event
• RFP process for PFR may not address needs during restoration
• Requires study of value of inertia during restoration and envisions complicated substitution rate of products between units providing inertia and those that don’t
  – PJM performs dynamic stability analysis as part of Black Start RFP
• Suggests reconvening for different solution if PFR performance drops 10%
  – Based on PJM analysis, this has already occurred
• Cost recovery at FERC may not be best option
  – If similar to OATT Schedule 2 - Reactive Services
  – If FERC rate is not approved, unit would not be obligated to provide PFR.
PJM Concerns with Calpine Package

• Requirements on WMPA units to be addressed at Distributed Energy Resources Subcommittee
• Does require existing units to continue to provide if they have the capability currently; but does not put requirement on all units
• Puts PFR requirement on nuclear units
  – Counter to FERC, NERC and NRC guidance exempting nuclear units
• Requires study of value of inertia during restoration and envisions complicated substitution rate of products between units providing inertia and those that don’t
  – PJM performs dynamic stability analysis as part of Black Start RFP
• Proposed “Bilateral market” for PFR is unworkable due to locational issues during system restoration
  – No way to guarantee distribution of PFR capabilities in a system disturbance resulting in electrical islands
Almost identical to PJM package however, PJM solution package allows for a one-time cost recovery for units requiring upgrades to meet PFR requirements.

PJM could support IMM solution package.