Dispatchable Transactions

MIC

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Issues

- **In December 2010, approximately $23 million in operating reserve credits were paid to dispatchable transactions.**
  - **Market revenues lower than dispatch price.**
- **Dispatchable schedules require significant manual intervention by PJM market operators.**

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Mitigation Options

- **Eliminate the Dispatchable transaction product.**

- **Keep the Dispatchable transaction product and:**
  - **Eliminate the make-whole payments for uneconomic loading of import transactions**

- **Keep the Dispatchable transaction product and:**
  - **Incorporate the product into the Intermediate Term Security Constrained Economic Dispatch Tool (ITSCHED) (the look-ahead dispatch tool)**
    - **Until the tool is modified to accept, evaluate and process dispatchable transactions, the product should be suspended**

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Recommendation

- **The MMU recommends elimination of the dispatchable transmission product.**
  - **Market data is transparent, unlike when product was created**
  - **Participants have the ability to manage transactions without price guarantees**
- **As a second alternative, the MMU recommends suspending the dispatchable transaction product until it can be incorporated into Intermediate Term Security Constrained Economic Dispatch Tool (ITSCHED) (aka the look-ahead dispatch tool).**

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Voting Options

- **Eliminate the Dispatchable transaction product**

- **Keep the Dispatchable transaction product and:**

  - **Eliminate the make-whole payments for uneconomic loading of import transactions**

- **Keep the Dispatchable transaction product and:**

  - **Incorporate the product into the Intermediate Term Security Constrained Economic Dispatch Tool (ITSCHED) (the look-ahead dispatch tool)**

    - **Until the tool is modified to accept, evaluate and process dispatchable transactions, the product should be suspended**

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