

Reliability Reduction Lost Opportunity Cost

MIC

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Issue

- **Wind farms have capacity interconnection rights (CIR) equal to 13 percent of maximum output, or demonstrated capacity factor during RPM peak periods.**
- **Energy injected above the CIR should be curtailed with no opportunity cost, as the transmission system has not been built to accommodate that energy at all times.**
- **Unit does not have full interconnection rights and has not paid for needed transmission upgrades to have those rights.**



Proposed Solutions

- **Lost opportunity cost recovery should occur only:**
 - **For wind units, when unit is curtailed from the lower of PJM forecast value, desired MW, or the CIR MW.**



MA Supports Proposed Tariff Changes

- **Resources must follow OATT, OA, and Manuals in order to receive full entitlement for all sources of revenue.**
- **Generation resources that contribute to a constraint should not be compensated lost opportunity cost.**
- **Wind resources that do not supply forecast data should not receive lost opportunity cost.**
- **Synchronized reserve resources that do not operate as directed by PJM should not be made whole.**



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