

Reserve Certainty

Issue Source

PJM

Issue Content

The work of this group is intended to investigate enhancements in the following areas:

- Synchronized Reserve Resource Performance and Penalty Structure
- Effective reserve deployment

Each Key Work Activity identified can be voted independently. All items in an area do not need to be complete before moving to vote on a specific KWA proposal.

Key Work Activities

KWA #1: Education

- Education on current rules, requirements, and responsibilities for each reserve product with emphasis on synchronized reserves.
- Define a set of design criteria intended to ensure that the synchronized reserve market and synchronized reserve deployment functions in a manner that meets the reliability requirements in the NERC BAL-002 standard by providing the necessary compensation and/or penalties to incent the requirement performance through a competitive market.

KWA #2: Reserve Resource Performance and Penalty Structure

- Provide education on reserve event penalty rules and calculation, including portfolio netting.
- Provide education on performance measurement, current rules about performance, and reserve capability calculations, including comparison of synchronous condensers, hydro, combined cycle operating modes, and demand response.
- Provide education on other RTO/ISOs performance measurement, capability, testing, and penalties.
- Provide education on historic spin event resource performance and reasons for underperformance.
- Discuss expected reserve performance requirements, event definitions, and non-performance penalty structure and any reforms that should be considered.

- Develop proposal package(s) for vote, as appropriate, based on the above analysis and findings

KWA#4: Reserve Deployment

- Provide education on status-quo process for synchronized and nonsynchronized reserve deployment, including technology, timing, and generators’ use of communication tools.
- Review previous Synchronous Reserve Deployment Task Force (SRDTF) work, PJM’s IRD FERC filing, and FERC’s order on the IRD filing.
- Explore reforms to reserve deployment to support operational and reliability needs, including but not limited to procedures for initiating and ending a reserve event, resource requirements for responding, deployment method and technology.
- Develop proposal package(s) for vote, as appropriate, based on the above analysis and findings.

Expected Deliverables

1. Education and analysis as needed concerning items identified in the scope of work
2. Proposed solution(s) to address enhancements to the areas identified under the Issue Content section above.

Corresponding revisions to PJM’s Tariff and the Operating Agreement consistent with the solutions proposed will be brought to the MRC and MC for review and endorsement, resulting in a FERC filing. Proposed revisions to PJM Business Practice Manuals conforming to the FERC approved solution will be brought to the appropriate Standing Committees for review and endorsement.

- Each KWA can be brought forward for vote separately, and all items in a defined system need timeline area do not need to be voted and advanced together.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal (preferred default option)

Stakeholder Group Assignment

New Senior Task Force reporting to the MRC.

Expected Duration of Work Timeline

Start this group in Q4 2023. Expected duration, 12 months.



Start Date	Priority Level	Timing	Meeting Frequency
	<input checked="" type="checkbox"/> High	<input type="checkbox"/> Immediate	<input type="checkbox"/> Weekly
	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Near Term	<input checked="" type="checkbox"/> Monthly
	<input type="checkbox"/> Low	<input type="checkbox"/> Far Term	<input type="checkbox"/> Quarterly

Charter

(Check one Box)

<input checked="" type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).

More detail available in M34, Section 6