

IMM Position on Operating Reserve Demand Curves

RCSTF

January 28, 2026

IMM

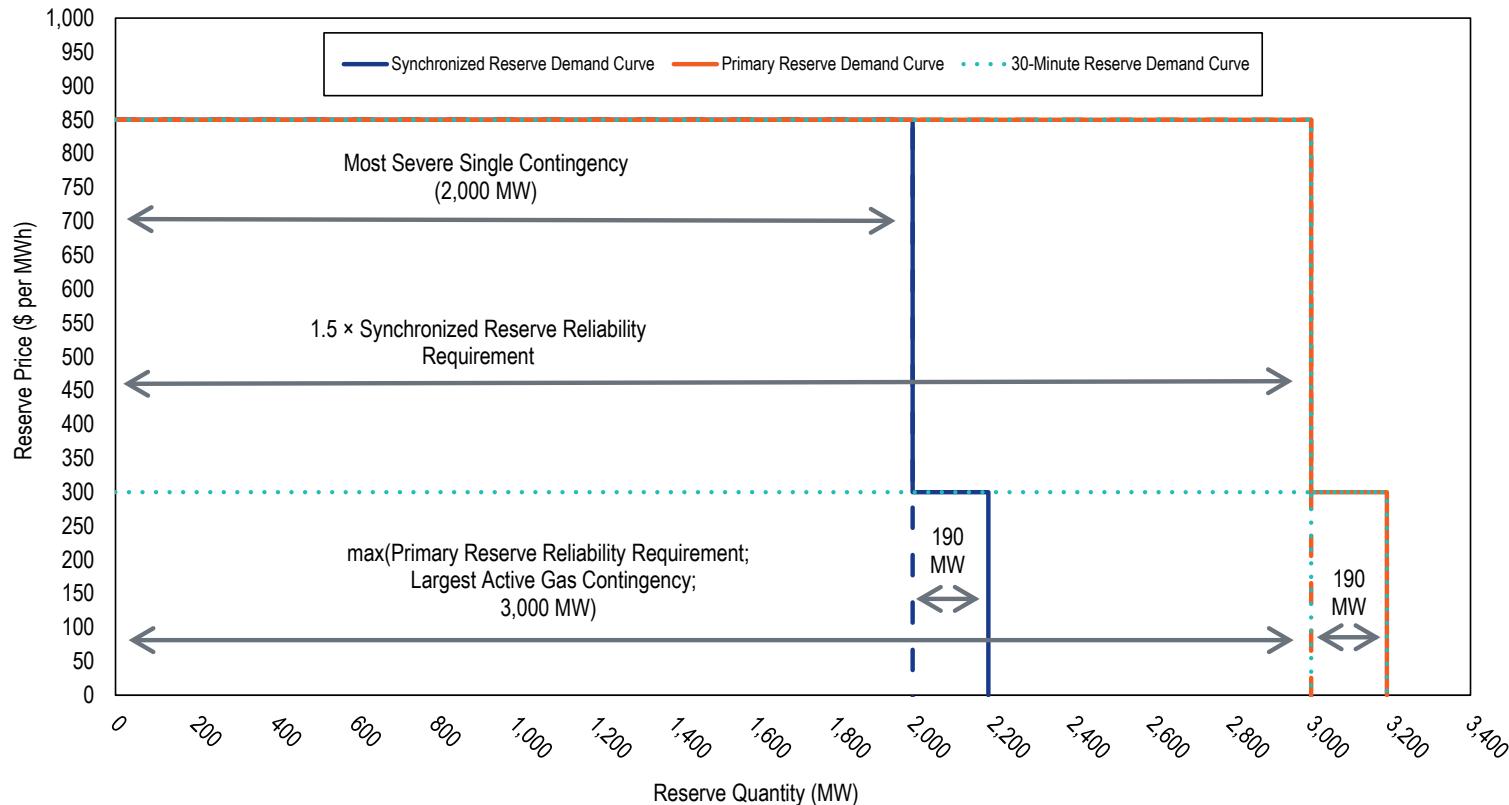


Monitoring Analytics

Operating Reserve Demand Curves

- The purpose of ORDCs is to ensure that the market dispatch economically allocates MW to meet the reserve requirements.
- The prices on the ORDC, also called penalty factors, are necessary administrative parameters to clear the market with reserve constraints.
 - The penalty factors should be as high as necessary to maintain reserve requirements and no higher.
 - The current penalty factors have been sufficiently high to maintain reserve requirements.
 - There are no valid counterexamples.

Status Quo ORDCs



IMM Proposal

- The IMM proposes to maintain
 - the current shape of the ORDCs
 - the current penalty factors for the ORDCs
 - the current nesting structure for the reserve products
 - the current caps on energy and reserve prices

Monitoring Analytics, LLC
2621 Van Buren Avenue
Suite 160
Eagleville, PA
19403
(610) 271-8050

MA@monitoringanalytics.com
www.MonitoringAnalytics.com