



# PJM Position on Gas Contingency Costs

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Generators that switch fuels or pipelines following PJM dispatch instructions either pre-contingency or post-contingency are eligible to recover:

- Documented alternative fuel costs above the active dispatch schedule
- Gas balancing costs (must provide documentation and/or invoice)
- Penalty charges from the primary pipeline and/or the alternative pipeline
- Park and loan and other pipeline tariff charges
- Other documented pipeline costs

- Other recoverable costs include:
  - One start cost per switching event if start is required
    - Additional starts will not be compensated if the unit trips
  - Lost opportunity costs for reduced outputs if applicable

- Generators with emissions run hour limits will communicate such limits to PJM dispatch at the time of the PJM instruction. For units that have run hour limits, PJM will follow the guidance in Manual 13 Attachment M – Procedure for Obtaining a Temporary Environmental Variance.
- Generators that are Opted-in to Intraday Offers will update their current schedule to reflect their new costs as soon as reasonably achievable.

Generators that switch fuels or pipelines following PJM dispatch instructions either pre-contingency or post-contingency will not be assessed:

- Deviation charges while following PJM dispatch
- Performance Assessment penalties between the PJM switching instruction and the unit reaching either the prior dispatch point or its current ECO basepoint

## Manual 28, Section 5.3

- o Each pool-scheduled or dispatchable self-scheduled generator not following PJM dispatch due to its actual output not being between its ramp-limited Desired MW and UDS Basepoint MW, and its % off dispatch is  $> 10\%$ , will be assessed deviations as Real-time MW – ramp-limited desired MW. If the % off dispatch is  $> 20\%$ , deviations will be assessed as Real-time MW – UDS LMP Desired MW (as determined in the Credits for Pool-Scheduled Generating Resources section of this manual).

### Definitions:

**Ramp Limited Desired MW** – achievable MW based on the SCED requested ramp rate

**UDS Basepoint MW** – time-weighted generator dispatch point

**UDS LMP Desired MW** – calculated value by comparing the SCED LMP to the unit's offer curve to determine the corresponding MW value

**% Off Dispatch** – calculated value by using the lesser of difference between the actual output and the UDS Basepoint MW or the actual output and the Ramp Limited Desired MW

- Language will be added to existing Fuel Cost Policies to allow generators during switching events to submit fuel costs to PJM Settlements after the event for make-whole compensation.
- Generators that are opted-in will have a requirement to update schedules intra-day after a switching event.

- Generators with switching costs will be required to submit supporting documentation to PJM Settlements and IMM by the 5th business day of the month following the switching event.
- *IMM may provide its input and advice on submitted costs within 5 business days following the date the documentation was submitted.*
- PJM has the final say on what costs are acceptable.
- Approved costs will be in the form of a make-whole payment.