EMUSTF Voting Items

Adam Keech

Senior Director, Market Operations

Markets and Reliability Committee

April 23, 2015

- February 5, 2015 – Discuss package contents and impacts
- By February 25, 2015 – EMUSTF vote on package
- February 26, 2015 – MRC first read
- March 18, 2015 – Further EMUSTF discussion (if required) -- CANCELLED
- March 26, 2015 – MRC vote/MC first read – Vote deferred
  - April 1, 2015 - EMUSTF Further Discussion (no changes)
  - April 7, 2015 - EMUSTF Further Discussion (no changes)
  - April 17, 2015 - EMUSTF Further Discussion (no changes)
- *April 23, 2015 – MRC vote*
- May 21, 2015 – MC vote

- From the Phase 1 Matrix…
  - 5 – LOC Credit Methodology
    1. Use the schedule the resource is committed on for energy as the reference for LOC unless the resource is self-scheduled. If self-scheduled, use the ***higher of*** the available cost or price curves.
       - Applies to energy, reactive and CT LOC
    2. LOC for reactive services and energy should be an integration up the curve as opposed to (LMP – Offer) * Reduced MW
       - Applies to energy, reactive and CT LOC
  - 5a – LOC for resources committed in DA but not run in RT
    1. Include startup and no-load costs in the DA offer used to calculate CT LOC.
    2. Change the eligibility of this payment to resources that meet the defined operational criteria rather than just falling in an asset class.

- Current rule
  - 3.2.3 (f-1)

"A Market Seller's **combustion turbine unit or combined cycle unit operating in simple cycle mode** that is pool-scheduled (or self-scheduled, if operating according to Section 1.10.3 (c) hereof)…"

  - PJM and the IMM agree that this should apply based on unit characteristics, not unit class.
  - PJM proposes a (start-up + notification time) maximum of 2 hours and a minimum run time limitation of 2 hours

- Measurement of startup and notification time will be done based on the parameters submitted during the operating day – not the Day Ahead Market parameters

- Resources that have a real-time startup + notification time and minimum run time less than or equal to 2 hours may wait to be called by PJM to operate
  - If these resources are not called, they will receive a CT LOC payment in 3.2.3(f-1)(ii)

- Resources that have a real-time startup + notification time or minimum run time greater than 2 hours WILL NOT receive a CT LOC payment UNLESS they are prohibited from running in real-time by PJM for a reliability reason

- Is a 2 hour minimum run time the appropriate value?
  - PJM agreed to go back and review data
- Several generation owners stated a desire to extend the minimum run time parameter to include certain types of larger CT units
- Based on market-based offer data…
  - More than 80% of the CTs units in PJM and 70% of the CT capacity have a minimum run time less than or equal to 2 hours
  - Nearly 90% of the CT units and over 90% of the CT capacity have a minimum run time less than or equal to 4 hours
- 70% of the CT LOC paid during Jan-Mar 2015 was to units that meet PJM's 2x2 criteria
- 85% was paid to units that meet 2x4