

<b>Effective Date</b>	11/01/2022
<b>Impacted Manual #(s)/Manual Title(s):</b>	
Manual 28: Operating Agreement Accounting	
<b>Conforming Order(s):</b>	
None	
<b>Associated Issue Tracking Title:</b>	<a href="#">Operating Reserve Clarification for Resources Operating as Requested by PJM</a>
<b>Committee Approval Path - What committee(s) have already seen these changes?</b>	
MIC	
<b>MRC 1<sup>st</sup> read date:</b>	9/21/2022
<b>MRC voting date:</b>	10/24/2022
<b>Impacted Manual sections:</b>	
Section 5.2.1 – Operating Reserve Credits for Pool-Scheduled Generation Resources	
<b>Reason for change:</b>	
<p>This change strengthens incentives for combustion turbines to follow PJM dispatch instructions by removing special treatment used in the calculation of balancing operating reserve credits and balancing operating reserve generator deviation charges that sets the Desired MW for CTs equal to their Actual Output. Going forward, the desired MW will be determined for CTs in the same manner as it is determined for all other resource types. The incentive to follow dispatch is strengthened because:</p> <ul style="list-style-type: none"> <li>• They will no longer be guaranteed cost recovery for any MW produced in excess of what is desired by PJM. They will be made whole to the lesser of actual MW or Desired MW – same as all other resource types.</li> <li>• They will become subject to deviation charges for any actual output that deviates from the Desired MW.</li> </ul>	
<b>Summary of the changes:</b>	
<p><b>Section 5.2.1</b> – Remove sentence that states “For Combustion Turbine units, operating at PJM direction, the actual five minute interval real-time output is used as the Operating Reserve Desired MW value.”</p>	