

## 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*