

The logo for GLIDEPATH, featuring the word "GLIDEPATH" in a bold, white, sans-serif font. A white curved line underlines the letters "LIDEPATH".

GLIDEPATH

The main title of the document, "PJM ESR Capacity Qualification", displayed in a large, bold, white, sans-serif font. The background of the text area is a dark blue gradient with a faint image of a wind turbine.

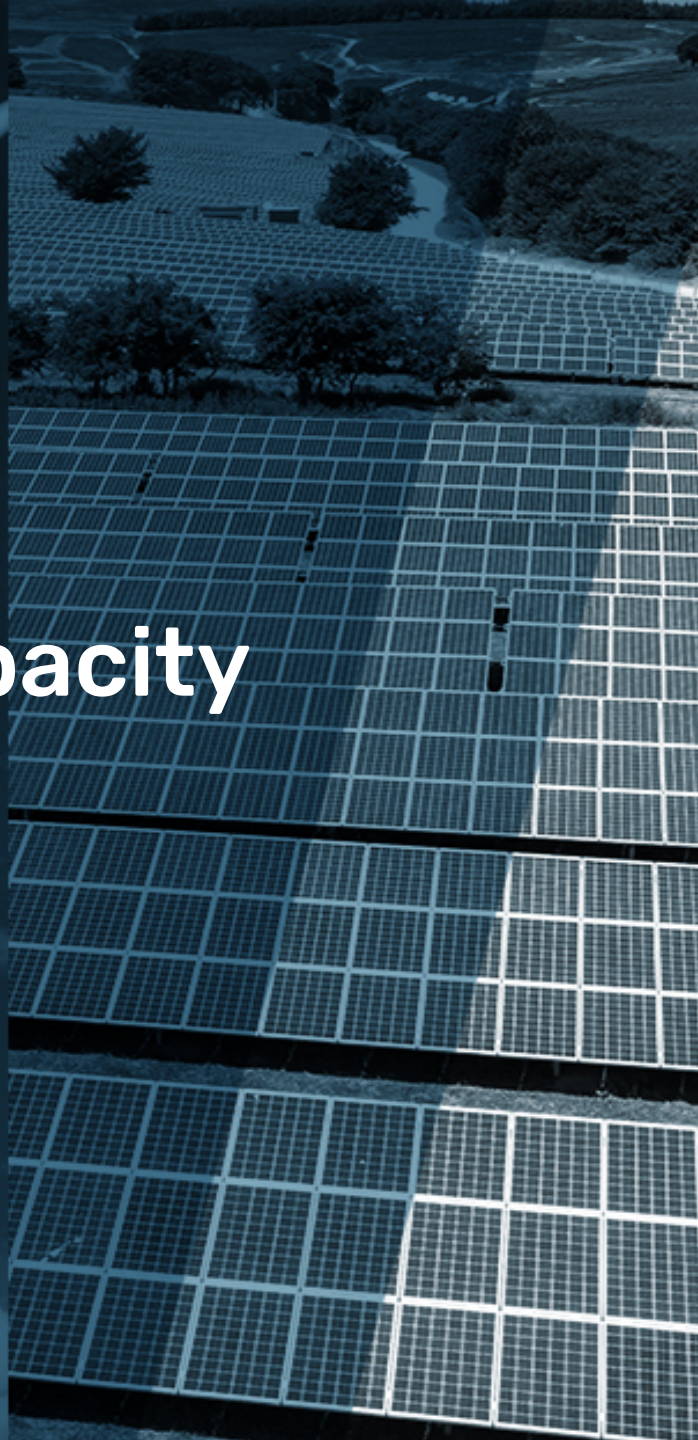
PJM ESR Capacity  
Qualification

The date "02/24/2020" in a white, sans-serif font.

02/24/2020

The author's name and email address, "Sean Baur - [sbaur@glidepath.net](mailto:sbaur@glidepath.net)", in a white, sans-serif font.

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# Origin of 10-hour Requirement

- PJM does not have a long-standing 10-hour requirement for storage projects to provide capacity
  - Only per December 12, 2019 RAA update (docket ER20-584)
  - Previous 10-hour duration “rule” was misinterpretation by PJM
- Should have been established in Order 841 compliance filing
- A 10-hour requirement is discriminatory
  - More onerous than testing protocols applied to conventional generation, e.g. CCGTs
  - Other resource owners free to make risk-reward tradeoffs themselves
  - Inconsistent with treatment of intermittent resources, though ESRs provide equivalent (or superior) value to reliability
- A 10-hour requirement is arbitrary
  - No economic or technical basis

# Proposed Interim Solution

- Order 841: clear directive for PJM to establish guidelines for ESR participation in RPM
- ESR developers are materially harmed by PJM's refusal to address this in compliance filing
- Harm would continue if reliant on long-term solution, need immediate relief
  - Consider current resource mix
  - Technically-driven, same risk-reward as other RPM participants
- Proposal: treat ESRs similarly to intermittent resources with a 5-hour duration requirement for 100% capacity accreditation
  - “Expected performance during peak-hour periods”
  - Remain in place until new framework can work through stakeholder process
- Needs to be in place for 2022-23 delivery year BRA (assumed to be held in early 2021)
- GlidePath preferred approach, in combination with long-term effort

# Long-Term Solution

- Order 841: Allow ESRs to fully participate in RPM to the extent that they are able, considering the service provided
  - Service performed in RPM is peak-hour contribution
- Must reflect resource mix, including ESR penetration
- Need long-term stability and certainty
  - Cannot support standards that reduce capacity accreditation for individual units based on resource mix changes
- Supportive of ELCC or alternative technical analysis, but must have realistic assumptions
- Maintain interim rule during formulation

# Alternate Proposal (Without Interim Solution)

- If no interim solution, non-ESR parties have opportunity and incentive to delay
- Delays serve to continue discrimination of ESRs, prevent deployment in contrast to Order 841 objectives
  - Firm dates needed, and a default system if no consensus reached
- Proposal: Have an automatically-triggered fallback system to level requirements between resource types
  - If no chosen methodology and assumptions by 12/31/2020, immediately enact firm fuel requirement for next BRA
  - Would require demonstration of firm fuel for all RPM resources, to align with types of technical requirements applied to ESRs
  - Only impose this mechanism if no interim solution & ESRs are reliant on long-term solution to remove discrimination