

Generation Deactivation Quick Fix Manual 14D Compliance Changes

David Egan

Manager, System Planning Modeling & Support
Markets & Reliability Committee

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Manual 14-D, Generator Operational Requirements Revisions

	Committee	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Generation Deactivation Quick Fix	SOS		6/2 ●	★ 7/2					
	OC		6/9 ●	★ 7/14					
	MRC		6/27 ●	★ 7/27					
Hybrid & Co-located Resources	DIRS		○ 6/20						
	SOS			7/7 ●	★ 8/3				
	OC			7/14 ●	★ 8/11				
	MRC				8/24 ●	★ 9/21			
Cold Weather Operating Limits NERC Standard Revisions	SOS			8/3 ●	★ 9/1				
	OC				8/11 ●	★ 9/8			
	MRC				8/24 ●	★ 9/21			
Periodic Review	SOS					9/29 ●	★ 10/28		
	OC					10/7 ●	★ 11/3		
	MRC						10/24 ●	★ 11/16	

- First Read
- ★ Endorsement
- Info Only

Note: There will be an additional revision with changes related to FRBSR stakeholder process. The timing is still TBD.

9.1.1 Generator Deactivation Notice

Any Generation Owner, or designated agent, who wishes to retire a unit from PJM operations must initiate a deactivation request in writing to the Office of the Interconnection via the email address generatordeactivation@pjm.com. The desired Deactivation Date may be no earlier than the following: (a) July 1 of the current calendar year, if the Transmission Provider receives the notice between January 1 and March 31; (b) October 1 of the current calendar year, if the Transmission Provider receives the notice between April 1 and June 30; (c) January 1 of the following calendar year, if the Transmission Provider receives the notice between July 1 and September 30; or (d) April 1 of the following calendar year, if the Transmission Provider receives the notice between October 1 and December 31. ~~no less than 90 days in advance of the planned deactivation date.~~ Black start resources require one year's advance notice of deactivation to PJM Refer to PJM Manual 12, Balancing Operations, Section 4.6.9 for additional details.

~~This~~ A Deactivation nN Notice will include, at a minimum, the following information:

- Indication of whether the unit is being retired or mothballed;
- The desired date of deactivation; and
- ~~A good faith estimate of the amount of a project investment and the time period the generator would be required to be out of service for repairs, if any, that would be required to keep the unit in or return the unit to operation~~ If mothballing, a good faith estimate of the time period the generating unit will be out of service.

9.1.2 Deactivation Analysis

PJM Planning will perform an deactivation analysis, if required, four times per year commencing: (a) January 1, for Deactivation Notices received between October 1 and December 31 of the prior calendar year; (b) April 1, for Deactivation Notices received between January 1 and March 31 of the current calendar year; (c) July 1, for Deactivation Notices received between April 1 and June 30 of the current calendar year; and (d) October 1, for Deactivation Notices received between July 1 and September 30 of the current calendar year. of the request. PJM Planning will include standard RTEP and NERC criteria for the appropriate seasons and interim years up to the current RTEP period. PJM Planning will also coordinate with PJM Operations for operational concerns and interim operational measures. In addition, the Independent Market Monitor will analyze the effects of the proposed deactivation with regard to potential market power issues.

9.1.3 Analysis Results

The analysis has the following potential outcomes: (1) No reliability or market power issue identified, (2) reliability issue identified, (3) market power issues identified, or (4) combined reliability and market power issues identified. PJM will notify the Generation Owner, or its designated agent, of analyses results by (a) May 31 of the current calendar year, if the Transmission Provider received the Deactivation Notice between January 1 and March 31; (b) August 31 of the current calendar year, if the Transmission Provider received the Deactivation Notice between April 1 and June 30; (c) November 30 of the current calendar year, if the Transmission Provider received the Deactivation Notice between July 1 and September 30; or (d) February 28 of the following calendar year, if the Transmission Provider received the Deactivation Notice between October 1 and December 31.

Reliability Issue(s) Identified

- Consistent with the schedule set forth in this section 9.1.3, PJM will notify the Generation Owner, or its designated agent, ~~within 30 days of the deactivation request~~ if a reliability issue has been identified. This notice will include the specific reliability impact resulting from the proposed deactivation of the unit, as well as an initial estimate of the period of time it will take to complete the Transmission upgrades necessary to alleviate reliability impact.
- Within ~~60~~ 30 days of ~~Deactivation~~ PJM's notification of reliability issues ~~Notice,~~ Generation Owner, or designated agent, will notify PJM of decision to continue to operate. If continuing to operate, the notice must include an estimate of investment costs and outage time to complete.
- Within ~~75~~ 45 days of PJM's notification of reliability issues ~~the original deactivation request,~~ PJM will provide a revised ~~n updated~~ estimate of the ~~period~~ timeframe for completion of ~~time it will take to complete the T~~ transmission upgrades necessary to alleviate reliability impact.
- Within ~~90~~ 60 days of PJM's notification of reliability issues ~~initial deactivation request,~~ PJM will inform the Generation Owner, or designated agent, and post on its web site full details of the transmission upgrades that will be required in order to allow the unit to deactivate.

- Black start resources will forego any future Black Start revenues per the PJM Tariff. If the unit is a black start resource, PJM will identify feasible alternative sites, and request tariff based bids to replace black start. A bid to re-power (improve) existing resource will be considered. The lowest cost replacement black start resource will be selected.

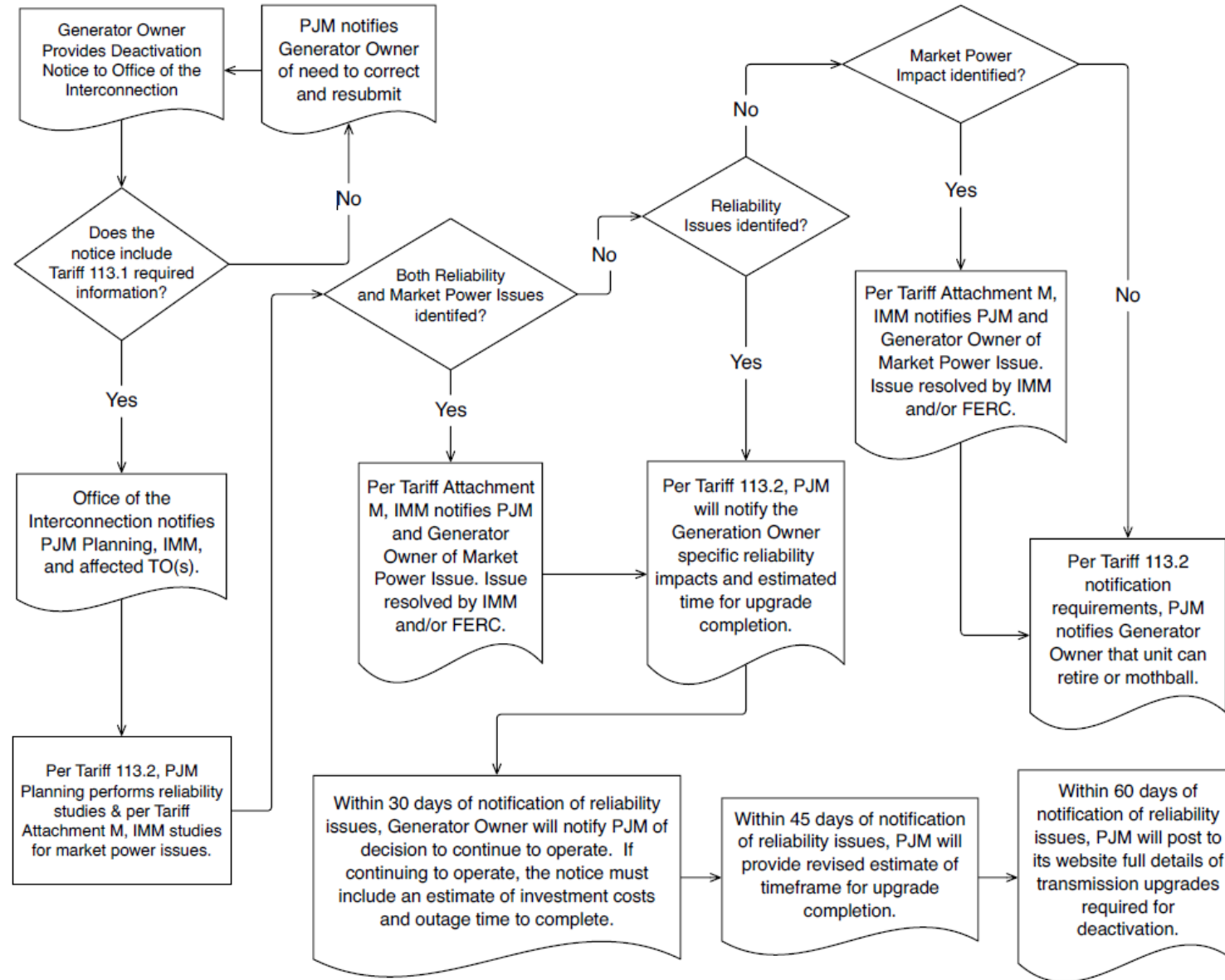
Market Power Impact Identified

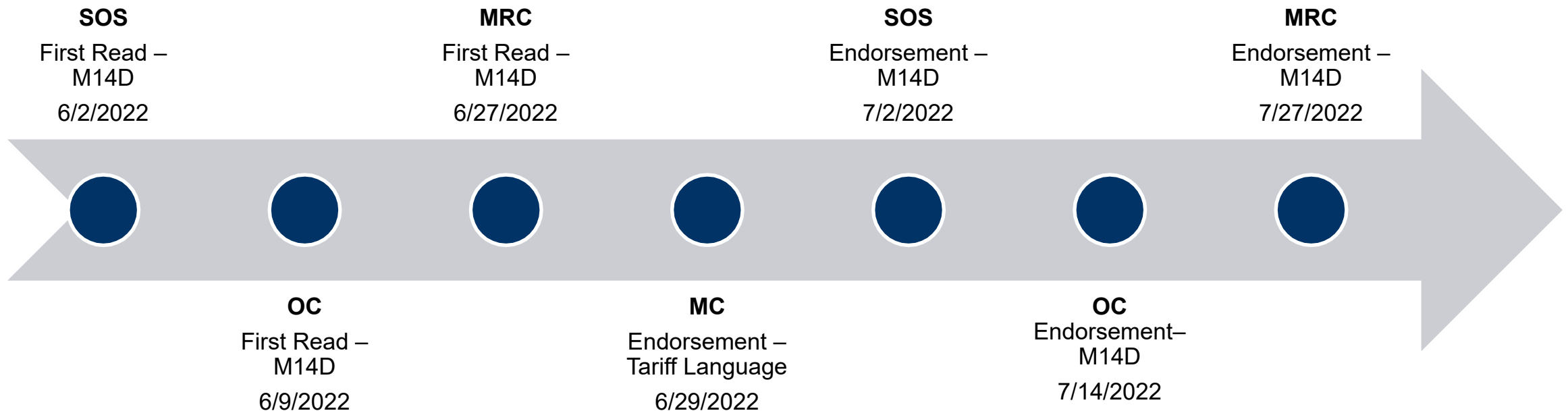
If the IMM identifies a Market Power Issue consistent with the schedule set forth in section 9.1.3, the IMM will notify PJM and the Generation Owner. Mitigation of Market Power Issues will be resolved by the IMM.

Combined Reliability and Market Power Issue Identified

If both reliability and market power issues are identified, the requirements and actions described above under the “Reliability Issue Identified” and “Market Power Impact Identified” sections apply.

M14D, Generation Deactivation Process Flow







- Appendix: Tariff changes

113.1 Generation Owner Notice:

When a Generation Owner desires to deactivate a generating unit located in the PJM Region, such Generation Owner, or its Designated Agent, must provide notice of such proposed Deactivation in writing to the Transmission Provider ~~no later than 90 days prior to the proposed Deactivation Date for the generating unit.~~ This notice shall include an indication of whether the generating unit is being retired or mothballed, the desired Deactivation Date, and, ~~if mothballing,~~ a good faith estimate of the ~~amount of any project investment and the~~ time period the generating unit would be out of service ~~for repairs, if any, that would be required to keep the unit in, or return the unit to, operation.~~ The desired Deactivation Date may be no earlier than the following: (a) July 1 of the current calendar year, if the Transmission Provider receives the notice between January 1 and March 31; (b) October 1 of the current calendar year, if the Transmission Provider receives the notice between April 1 and June 30; (c) January 1 of the following calendar year, if the Transmission Provider receives the notice between July 1 and September 30; or (d) April 1 of the following calendar year, if the Transmission Provider receives the notice between October 1 and December 31. ~~PJM-~~The Transmission Provider shall promptly provide a copy of such notice to the Market Monitoring Unit. The desired Deactivation Date may be earlier than the above-referenced dates if the Generation Owner, or its Designated Agent, (i) receives notice from a state or federal regulatory entity requiring as a matter of law that the Generation Owner must deactivate its generating unit by a date earlier than permitted by this Tariff, Part V, section 113.1 and (ii) receives such notice on a date that renders compliance with this provision infeasible.

113.2 Notice of Reliability Impact:

~~Within 30 days of the receipt of the Generation Owner's notice pursuant to section 113.1 of this Tariff, t~~The Transmission Provider shall inform the Generation Owner, or its Designated Agent, whether the Deactivation of the generating unit would adversely affect the reliability of the Transmission System ("Notice of Reliability Impact") by the following date: (a) May 31 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between January 1 and March 31; (b) August 31 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between April 1 and June 30; (c) November 30 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between July 1 and September 30; or (d) February 28 of the following calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between October 1 and December 31. In the event there are no reliability issues associated with the proposed Deactivation of the generating unit, ~~Transmission Provider~~the Notice of Reliability Impact shall so notify the Generation Owner, or its Designated Agent, and the Generation Owner or its Designated Agent may deactivate its generating unit at any time thereafter. The Generation Owner shall coordinate with the appropriate Transmission Owner and the Transmission Provider regarding the removal of any transmission equipment located at the generating unit proposed for Deactivation. In the event the Transmission Provider determines that, in accordance with established reliability criteria, the Deactivation of the Generation Owner's generating unit would adversely affect the reliability of the Transmission System absent upgrades to the Transmission System, ~~#the~~the Notice of Reliability Impact shall notify the Generation Owner, or its Designated Agent, of the reliability concerns. Such ~~#~~Notice of Reliability Impact shall (1) identify the specific reliability impact resulting from

the proposed Deactivation of the generating unit; and (2) provide an initial estimate of the period of time it will take to complete the Transmission System reliability upgrades necessary to alleviate the reliability impact. Regardless of whether the Deactivation of the generating unit would adversely affect the reliability of the Transmission System, the Generation Owner or its Designated Agent may deactivate its generating unit, subject to the notice requirements in Tariff, Part V, section 113.1 ~~of this Tariff~~. Within 360 days of the Generation Owner's or its Designated Agent's receipt of the ~~a~~ Notice of Reliability Impact identifying reliability concerns pursuant to this Tariff, Part V, section 113.24 ~~of this Tariff~~, the Generation Owner or its Designated Agent shall inform Transmission Provider whether the generating unit proposed for Deactivation will continue operating beyond its desired Deactivation Date during the period of construction of the Transmission System reliability upgrades necessary to alleviate the reliability impact resulting from the Deactivation of the generating unit, and if the generating unit will continue operating, provide the Transmission Provider with an ~~updated~~ estimate of the amount of any project investment and the time period the generating unit would be out of service for repairs, if any, that would be required to keep the unit in, or return the unit to, operation. For generating units that

would be required to keep the unit in, or return the unit to, operation. For generating units that will continue operating beyond their desired Deactivation Dates, the Transmission Provider shall (a) within 475 days of ~~the Generation Owner's or its Designated Agent's notice~~ Transmission Provider issuing the Notice of Reliability Impact pursuant to this Tariff, Part V, section 113.42 of this Tariff, provide an updated estimate of the period of time it will take to complete the Transmission System upgrades necessary to alleviate the reliability impact; and (b) within 690 days of ~~the Transmission Provider issuing the Notice of Reliability Impact Generation Owner's or its Designated Agent's notice~~ pursuant to this Tariff, Part V, section 113.42 of this Tariff, post on its internet site full details of the transmission upgrades necessary to alleviate the reliability impact that would result from the Deactivation of the generating unit. Upon receipt of notification from the Transmission Provider that Deactivation of the generating unit would cause reliability concerns, the Generation Owner shall immediately be entitled to file with the Commission a cost of service rate to recover the entire cost of operating the generating unit until such time as the generating unit is deactivated pursuant to this Part V ("Cost of Service Recovery Rate"). In the alternative, the Generation Owner may elect to receive the Deactivation Avoidable Cost Credit provided under this Part V.

113.4 Notice for Generation Units Providing Reactive Supply and Voltage Control:

In addition to the notice requirements in this Tariff, ~~Part V of the Tariff~~, when a Generation Owner desires to deactivate a generating unit that provides reactive supply and voltage control service under Tariff, ~~Schedule 2 of the Tariff~~, such Generation Owner, or its Designated Agent, must satisfy the notice and filing requirements in Tariff, ~~Schedule 2 of the Tariff~~.

IV. DEACTIVATION RATES

1. Upon receipt of a notice to deactivate a generating unit under Tariff, Part V from the Office of the Interconnection forwarded pursuant to Tariff, Part V, section 113.1, the Market Monitoring Unit shall analyze the effects of the proposed deactivation with regard to potential market power issues and shall notify the Office of the Interconnection and the generator owner (or, if applicable, its designated agent) ~~within 30 days of the deactivation request~~ if a market power issue has been identified. The Market Monitoring Unit shall provide such notice by the following date: (a) May 31 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between January 1 and March 31; (b) August 31 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between April 1 and June 30; (c) November 30 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between July 1 and September 30; or (d) February 28 of the following calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between October 1 and December 31. Such notice shall include the specific market power impact resulting from the proposed deactivation of the generating unit, as well as an initial assessment of any steps that could be taken to mitigate the market power impact.

SME/Presenter:
Dave Egan,
David.Egan@pjm.com

Manual 14D Revisions



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

**PROTECT THE
POWER GRID
THINK BEFORE
YOU CLICK!**



Be alert to
malicious
phishing emails.

Report suspicious email activity to PJM.
(610) 666-2244 / it_ops_ctr_shift@pjm.com

