

Reserve Price Formation Manual Changes: Manuals 27, 28 and 29

Rebecca Stadelmeyer
Markets & Reliability Committee
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Manual 27: Open Access Transmission Tariff Accounting

- **Section 8.1**

Non-Dispatched Charging Energy must pay applicable transmission charges as a Network Service User. By contrast, Dispatched Charging Energy does not pay such charges. Charging energy qualifies as Dispatched Charging Energy when the Energy Storage Resource follows PJM dispatch within 10% of the desired output and meets one of the following conditions:

- Provides Energy Imbalance Service under Schedule 4 of the PJM Tariff. Energy Storage Resource Model Participants shall be considered to be providing Energy Imbalance Service when they are dispatchable by PJM in real time. An Energy Storage Resource shall be considered dispatchable when the fixed generation flag is set to “no” and the dispatchable range exceeds 10% of the absolute value of the relevant economic limit.
- Assigned to Regulation, ~~Tier II~~ Synchronous Reserves, or Reactive Service;
- Being manually dispatched for reliability

- Note: No redline or clean copy of Manual 27 was posted for today’s meeting

Manual 28: Operating Agreement Accounting

- Changes between Aug. MIC and Aug. MRC (in yellow)
 - Section 19.2.2
 - Reworded Secondary Reserve Shortfall MW definition
 - Section 19.2.3
 - Removed Secondary Reserve Shortfall Charge from calculation
- Changes between Aug. MRC and Sep MIC (in green)
 - Section 7.3.2
 - Added 'Non' in front of 'Synchronized'
 - Section 19.2.3
 - Replaced 'Synchronized' with 'Secondary'
 - Section 19.3.2
 - Added 'Reserve' after 'Secondary'

- Section 1
 - Updated service accounting definitions
- Section 20
 - Updated Billing Line Item names

- Section 5 name remains Operating Reserves
- Section 5.1
 - Added inclusion of Secondary Reserve and Market Revenue Neutrality Offset into different Operating Reserve calculations
 - Added language regarding Nuclear Units eligibility for Operating Reserve credits from Manual 11
- Section 5.2
 - Added inclusion of Secondary Reserve and Market Revenue Neutrality Offset into different Operating Reserve calculations
- Section 5.3
 - Clarify generator deviation calculation with the inclusion of Secondary Reserves

- Section 6 name remains Synchronized Reserves
- All references to Tier I and Tier II have been removed
- Section 6.1 (Overview)
 - Overall clean-up for Tier I and Tier II language
 - Clarification of how the Obligation is calculated between RTO zone and Sub-Zone
- Section 6.2 (Credits)
 - 6.2.1: Renamed and reworded for Day-ahead Synchronized Reserve Market Clearing Price Credit description and calculation
 - 6.2.2: Renamed and reworded for Balancing Synchronized Reserve Market Clearing Price Credit description and calculation
 - 6.2.3: Added for Synchronized Reserve Lost Opportunity Cost Credit to describe and show different calculation components

- Section 6.3 (Charges)
 - New charge calculations for both the Clearing Price and LOC
 - Added more details for the Clearing Price and LOC charge calculations
 - Re-word Retroactive Penalty Charge section for organization
- Section 6.4 (Recon)
 - Clarification regarding the billing determinants per Reserve and Sub-zone

- Section 7 remains for Non-Synchronized Reserves
- Section 7.1 (Overview)
 - Clarification of how the Obligation is calculated between RTO zone and Sub-Zone
- Section 7.2 (Credits)
 - 7.2.1: Renamed and reworded for Day-ahead Non-Synchronized Reserve Market Clearing Price Credit description and calculation
 - 7.2.2: Renamed and reworded for Balancing Non-Synchronized Reserve Market Clearing Price Credit description and calculation
 - 7.2.3: Added for Non-Synchronized Reserve Lost Opportunity Cost Credit to describe and show different calculation components

- Section 7.3 (Charges)
 - New charge calculations for both the Clearing Price and LOC
 - Added more details for the Clearing Price and LOC charge calculations
- Section 7.4 (Recon)
 - Clarification regarding the billing determinants per Reserve and Sub-zone

Section 15: Ramapo (old), Market Revenue Neutrality Offset (new)

- Section 15 was for Ramapo PAR Facilities, however, calculation for these PARs are within the Market-Market calculation
- Re-use section 15 for new Market Revenue Neutrality Offset Accounting
- Section 15.1 (Overview)
 - Provides an overview of the interaction between Lost Opportunity Cost Credit, Market Revenue Neutrality Offset and Opportunity Cost Credit Owed
- Section 15.2 (Market Revenue Neutrality Offset)
 - New section
 - Provides eligibility criteria
 - Description of the calculation and how it applies to the Lost Opportunity Cost Credit calculation
- Section 15.3 (Opportunity Cost Credit Owed)
 - New section
 - Describes when the calculation applies
 - Description of the calculation and how it applies to the Lost Opportunity Cost Credit calculation

Section 19: DASR (old), Secondary Reserve (new)

- Section 19 was for Day-ahead Scheduling Reserves (DASR), however, this product has been removed with Reserve Price Formation
- Re-use section 19 for new Secondary Reserve Accounting
- Consider all sections new, even if same numbers as DASR
- Follows the pattern and style of Synchronized Reserve and Non-Synchronized Reserve
- Section 19.1 (Overview)
- Section 19.2 (Credits)
 - 19.2.1: Day-ahead Secondary Reserve Market Clearing Price Credit
 - 19.2.2: Balancing Secondary Reserve Market Clearing Price Credit (change from 8-10-22 MIC)
 - 19.2.3: Secondary Reserve Lost Opportunity Cost Credit (change from 8-10-22 MIC)
- Section 19.3 (Charges)
 - 19.3.1: Secondary Reserve Market Clearing Price Charge
 - 19.3.2: Secondary Reserve Lost Opportunity Cost Charge
- Section 19.4 (Recon)

Manual 29: Billing

- Section 2.2.1 (Monthly Charges)
 - Removed Day-ahead Scheduling Reserve charges
 - Added Secondary Reserve charges
 - Updated Load Reconciliation charges
- Section 2.3.1 (Monthly Credits)
 - Removed Day-ahead Scheduling Reserve credits
 - Added Secondary Reserve credits
 - Updated Synchronized Reserve credits and Non-Synchronized Reserve credits

SMEs/Presenters:

Rebecca Stadelmeyer,
Rebecca.Stadelmeyer@pjm.com

**Reserve Price Formation M-27, 28 & 29
Revisions**



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

Appendix: Manual Revision Schedule

- Several manuals require updates to account for the Reserve Price Formation implementation:
 - Operations Related Manuals:
 - Manual 10: Pre-Scheduling Operations
 - Manual 12: Balancing Operations
 - Manual 13: Emergency Operations
 - Markets and Settlements Related Manuals:
 - Manual 11: Energy & Ancillary Services Market Operations
 - Manual 15: Cost Development Guidelines
 - Manual 27: Open Access Transmission Tariff Accounting
 - Manual 28: Operating Agreement Accounting
 - Manual 29: Billing



Reserve Price Formation Manual Revision Schedule

	Committee	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Manuals 10, 12, 13	SOS				8/3 ●	★ 9/1			
	OC				8/11 ●	★ 9/8			
	MRC				8/24 ●	★ 9/21			
Manuals 11, 27, 28, 29	MIC				8/10 ●	★ 9/7			
	MRC				8/24 ●	★ 9/21			
Manual 15	CDS			7/6 ○					
	MIC			7/13 ●	★ 8/10				
	MRC				8/24 ●	★ 9/21			
	MC				8/24 ●	★ 9/21			

- *First Read*
- ★ *Endorsement*
- *Info Only*

Go-live for Reserve Price Formation changes is **October 1, pending FERC action**

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POWER GRID
THINK BEFORE
YOU CLICK!**



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malicious
phishing emails.

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