

Performance Assessment Hour Ramp Rate

Problem / Opportunity Statement

On July 9, 2015 PJM submitted compliance filings in the Capacity Performance proceeding (Docket Nos. ER15-623 and EL15-29) which revised the Tariff, Operating Agreement, and RAA to comply with the FERC's directives related to issues including: (1) capacity resource performance requirements; (2) Non-Performance Charges; (3) Fixed Resource Requirement plans; (4) market power mitigation; (5) credit requirements; and (6) parameter limited schedules. FERC has yet to issue an Order related to the compliance filings and therefore leaves stakeholders with uncertainty.

PJM presented its view of the Operating Agreement, Tariff and Manual language regarding parameter limitations and Performance Assessment Hour exceptions per the June 9, 2015 Order at various Operating Committee meetings since June 2015. Stakeholders provided feedback that there was another view of the language and disagreed with PJM's view.

To reduce stakeholder uncertainty, PJM submitted an informational filing on December 22, 2015 asking FERC to issue an Order on PJM's July 9, 2015 Compliance Filing as well as issue Orders on the outstanding rehearing requests. This filing sought certainty and guidance from FERC. However, PJM explained how it plans to proceed under the accepted language as clarified in its compliance filing, unless the Commission issues an order otherwise.

Even when FERC provides an Order, whether it be by February 1, 2016 as PJM suggested, or thereafter, the stakeholder's issue of including a resource's ramp rate while dispatching during a Performance Assessment Hour remains open. PJM agrees that an online resource's ramp rate should be included in the dispatch algorithm during a Performance Assessment Hour. Inclusion of ramp rate is not allowed per the current Tariff language.

PJM has reviewed stakeholder feedback and determined a path ensuring system reliability from generator performance that accounts for ramp rate during Performance Assessment Hours. PJM believes the solution to this issue is "sufficiently simple" (in accordance with Manual 34: PJM Stakeholder Process, section 11.2) and proposes the following:

- Create a new parameter used only during Performance Assessment Hours – Performance Assessment Hour Ramp Rate

PJM recommends taking action to resolve these issues as soon as possible, and prior to the implementation of Capacity Performance on June 1, 2016.