Stakeholder-identified Implementation Options for ELCC Floor Handling When Classes are Redefined

Andrew Levitt
Market Design and Economics
January 19, 2021
PJM CCSTF

Q2: Floor Handling If Class Is Redefined

- If 2 classes with significantly different performance merge or split, the new ELCC Class Ratings would be significantly different from old, which would render the old floor values obsolete in the new context.
- For example:
  - If tracking solar and fixed solar share a class, and the class is dominated by tracking solar, then the Class Rating could be quite high, for example 60%.
  - A fixed solar unit in such class would be expected to have a Performance Adjustment of (for example) 65%, so that its final Accredited UCAP value would be 39% of its nameplate capacity.
  - Such resource could have a floor value of, for example, 55%.
  - If fixed solar were split into its own class, separate from higher-performing tracking solar, then the Performance Adjustment for such a unit would increase significantly (for example, to 105%) to represent its performance relative to other members of its class.
  - **In this case, it would not be logical to apply a 55% floor value using a 105% Performance Adjustment.**
- **Implementation options?**

Stakeholder-identified Implementation Options for Discussion

1. Adjust previously issued floors by the ratio of performance of new class relative to performance of old class.
2. When issuing floors, try to identify potential future class redefinitions and issue what the floors would be under that new definition.
3. Maintain the ELCC floor calculation model and input data for 10 years, and if classes are redefined during that term, recalculate the floors using the original model(s) with the new class definitions.
   a) Variant: recalculate floors using the current ELCC model and new class definitions, but using the original resource mix forecast and load shapes that were used when the floors were initially calculated.
4. Define classes initially as granularly as possible.

Contact

Facilitator:
Melissa Pilong,
Melissa.Pilong@pjm.com

Secretary:
Jaclynn Lukach,
Jaclynn.Lukach@pjm.com

SME/Presenter:
Andrew Levitt, Andrew.Levitt@pjm.com

Stakeholder-identified Implementation Options for ELCC Floor Handling When Classes are Redefined

Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com