

Performance Assessment Hour Ramp Rate

Issue Source

PJM and the Operating Committee.

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. FERC has yet to issue an Order related to the compliance filings and therefore leaves stakeholders with uncertainty.

During various Operating Committee meetings, 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. One of the views included a non-ramp limited basepoint that would expect resources to achieve the desired output communicated by PJM instantaneously. Stakeholders provided feedback that there was another view of the language and disagreed with PJM's view.

Stakeholder's issue of not including a resource's ramp rate while dispatching during a Performance Assessment Hour remains open. PJM believes that an online resource's ramp rate should be included in the dispatch algorithm during a Performance Assessment Hour. This inclusion will ensure system reliability from generators during Performance Assessment Hours. Inclusion of ramp rate is not allowed per the current Tariff language.

Stakeholder Group Assignment

Due to the limited scope of discussing only "ramp rate", this issue is recommended to be worked at the Operating Committee.

Key Work Activities

- 1) Create a new parameter used only during Performance Assessment Hours – Performance Assessment Hour (PAH) ramp rate, including segmented ramp rates
- 2) Define when PAH ramp rate is applied and determine relationship to the Non-Performance Charges
- 3) Examine how SCED solution will respect Markets Gateway's prevailing ramp rate data structure

Expected Deliverables

The outcome of this effort will be an explicit explanation of Performance Assessment Hour Ramp Rate. Changes are required to the Governing Documents and Manuals.

Expected Overall Duration of Work

The explanation and respective language changes need approval by the March 2016 Operating Committee, Market and Reliability Committee and Members Committee to allow a FERC filing by March 31, 2016 and a subsequent Order prior to June 1, 2016.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal preferred default option.