Max Emergency Proposal

OC August 11, 2022 IMM



Maximum Emergency

- Committed Capacity Resources can offer MW as maximum emergency (max E) under four categories:
 - Environmental Limits
 - Fuel Limits
 - Temporary Emergency Conditions
 - Temporary MW Additions

Fuel Limits Definition

 Fuel limits: If physical events beyond the control of the resource owner result in the temporary interruption of fuel supply and there is limited onsite fuel storage. A fuel supplier's exercise of a contractual right to interrupt supply or delivery under an interruptible service agreement shall not qualify as an event beyond the control of the resource owner.

 Manual 13 adds additional condition: Inventories below 16 hours (CTs) and 32 / 240 hours (steam).

Fuel Limits Issues

- Conditions needed to be met are listed but not exactly quantified.
- Only covers fuel, does not include consumables.
- Only Manual 13 mentions inventory levels, which is not a condition in the OA.
- Provides no explicit alternative if conditions are not met.

Fuel Limits: IMM Proposal

- Expand category to include consumables.
- Create a new availability status category for units that do not met the Max E Fuel Limits criteria:
- Fuel/Consumable Conservation
 - To be used when a committed resource is fuel limited (10 days or less of fuel in inventory).
 - Units using new category would be assessed a charge equal to:
 - [(Committed ICAP x BRA Price) / 24] x Hours Offered at Max E
 - Charges will be allocated to LSEs by day based on LSEs' capacity charges.

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Fuel Limits: IMM Proposal

- Define conditions needed to meet fuel/consumable limits category:
 - Physical Event: A physical event that affects the infrastructure used to procure, treat or transport the fuel/consumable.
 - Beyond Owner's Control: Owner has no other means to procure fuel for normal operation.
 - Temporary Interruption: No longer than seven days. Supplier must provide documented timeline for when operations are expected to be back to normal.
 - Limited Onsite Fuel Storage: Meant for oil.
 - Not Interruptible Service: Cannot be based on an interruptible contract or on having no contract at all.

Environmental Limits Definition

 Environmental limits. If the resource has a limit on its run hours imposed by a federal, state, or other governmental agency that will significantly limit its availability, on either a temporary or long-term basis. This includes a resource that is limited to operating only during declared PJM capacity emergencies by a governmental authority.

 Manual 13 adds additional condition: Hours below 16 / 24 (CTs) and 32 hours (steam).

Environmental Limits IMM Proposal

- OC adder should be used first when applicable.
- Units that can operate for reliability, without the need for PJM to declare Max Gen, cannot use Max E.
- Units that can operate during emergencies (authorized by the environmental agency) can only use Max E once hours left are less than PLS min run time.
- Any unit that has a hard limit (i.e. cannot run even during emergencies) can use Max E based on the hours in Manual 13.

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