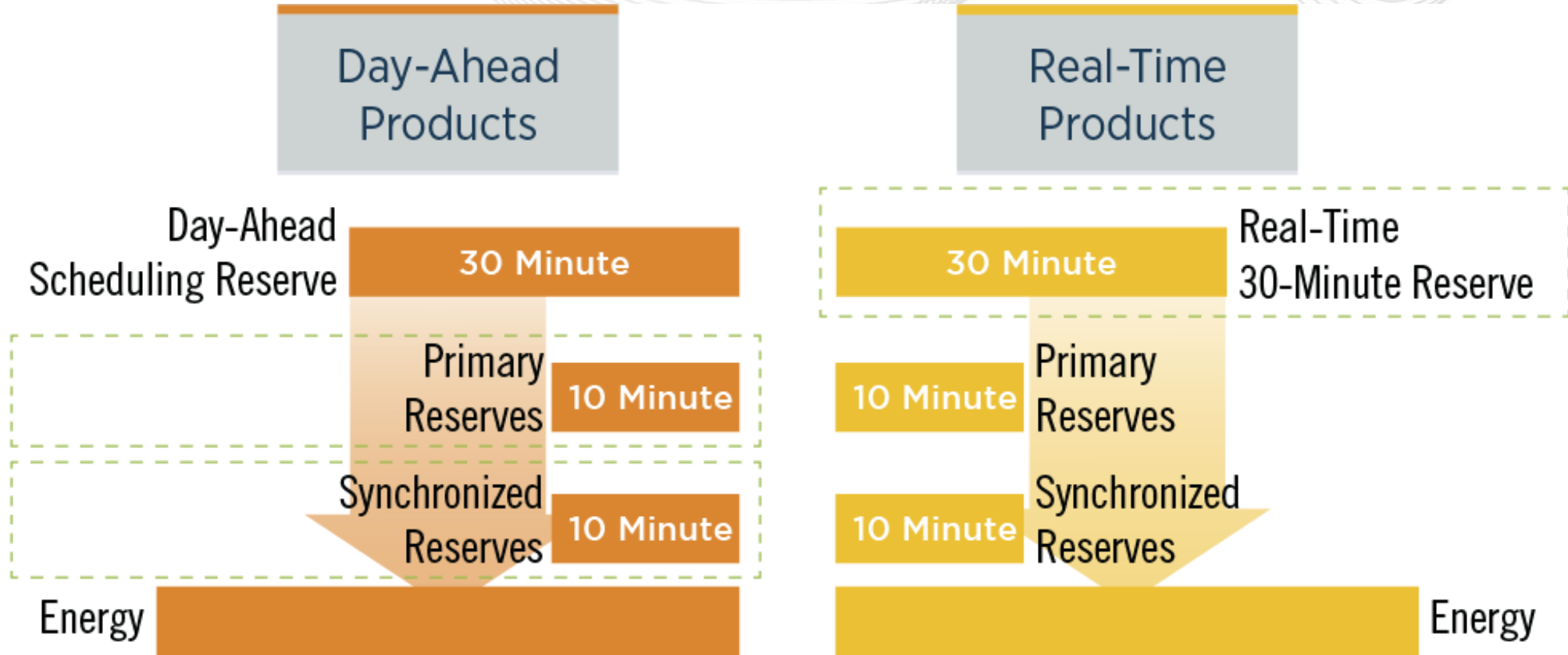


# Reserve Market Changes

Rebecca Stadelmeyer  
Market Settlements Development  
Market Settlement Subcommittee  
April 19, 2022

- Previous presentations given
  - September 26, 2018, August 18, 2019 and September 22, 2021
- Various changes and FERC activities between these dates
- Generally, settlement calculations and foundation have been untouched
- PJM Settlement working through specifics now
- Using October 1, 2022 as a potential effective date
- Specific for settlements: PJM requests to only use posted information from April 2022 and forward

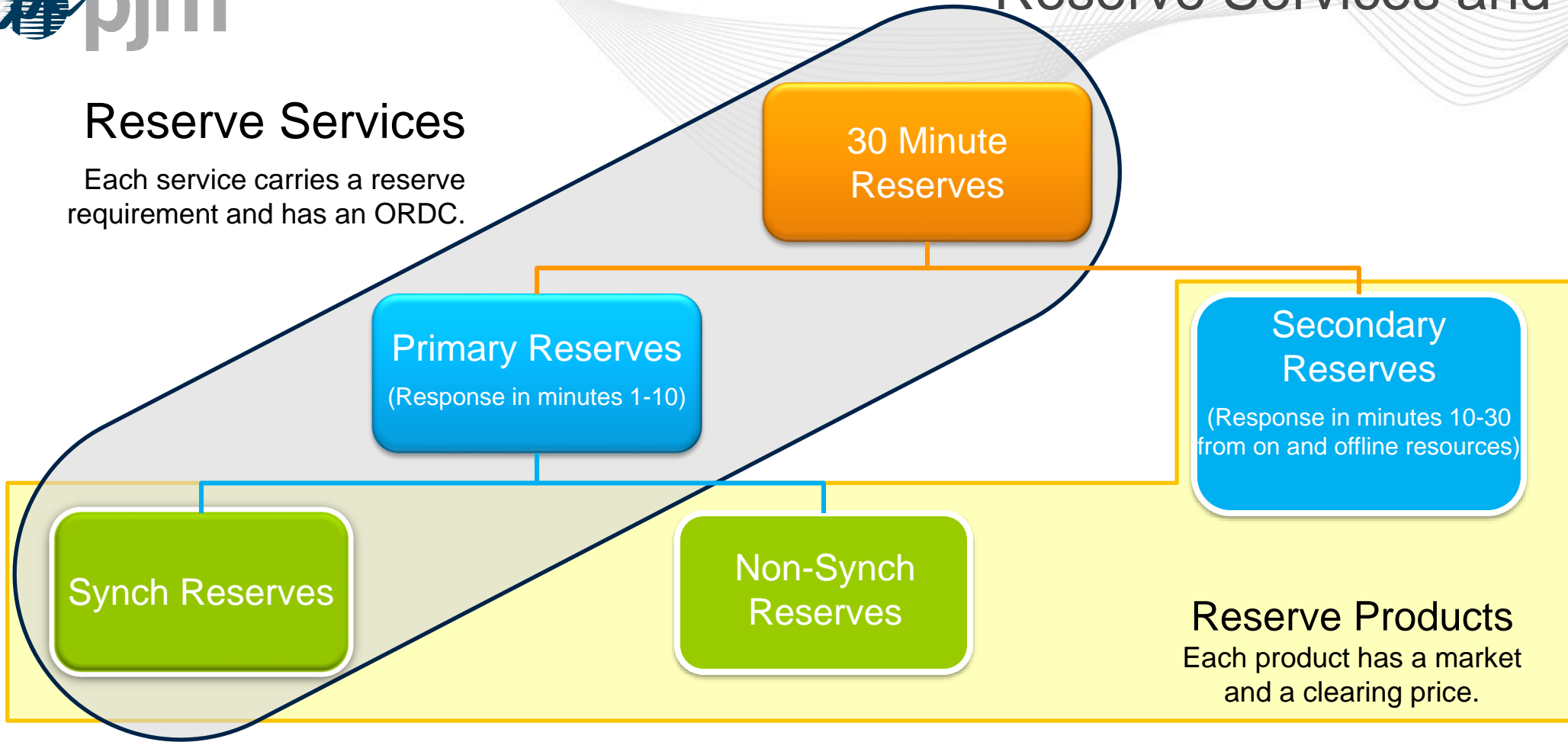
# Day-Ahead and Real-Time Product Alignment



Solidify financial incentives to provide reserves when assigned due to day-ahead financial commitment.  
Remove modeling differences between Day-Ahead and Real-Time Energy Markets.

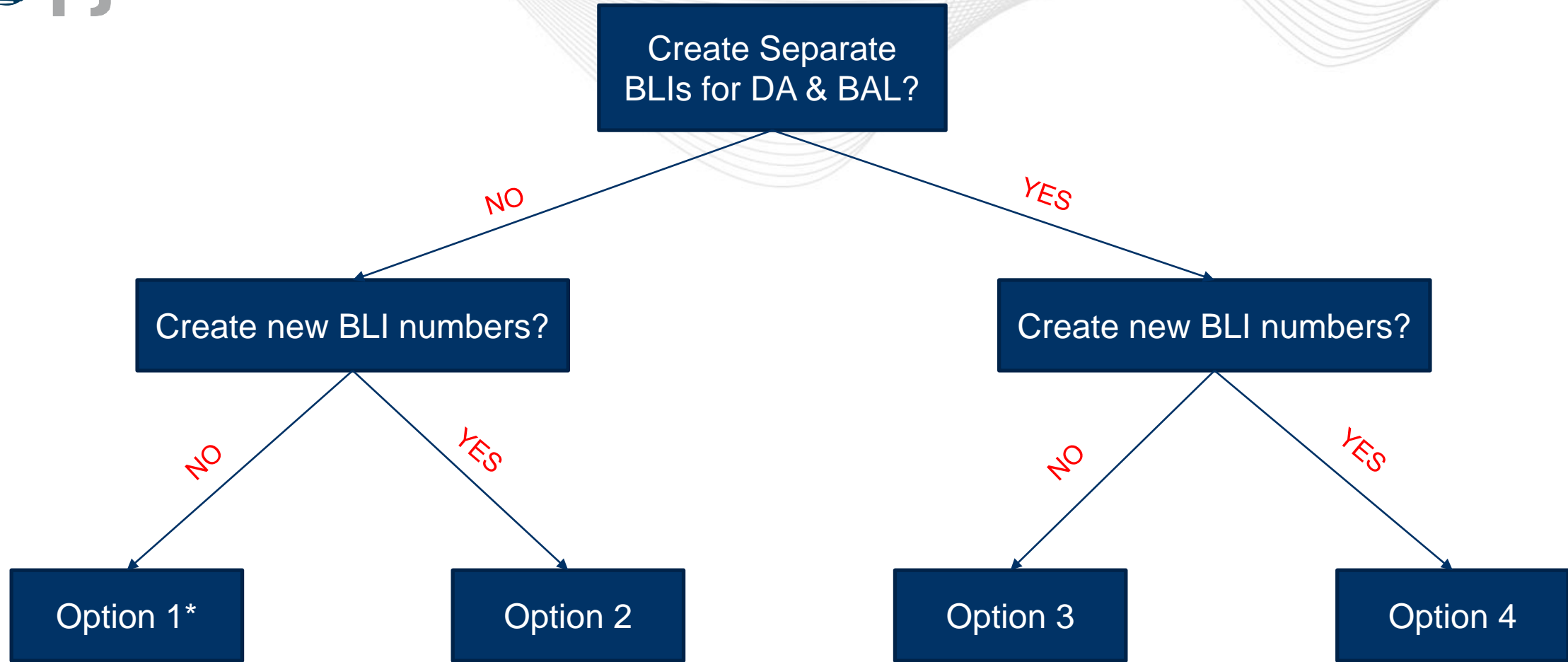
## Reserve Services

Each service carries a reserve requirement and has an ORDC.



- Clearing Price represents procurement of the Synch Reserve requirement
- Clearing price represents procurement of the balance of the Primary Reserve Requirement not met by Synch Reserves
- Clearing price represents procurement of the balance of the 30 Min Requirement not met by Synch and Non-Synch Reserves

	DA Clearing Credit	DA Clearing Charge	DA LOC Credit	DA LOC Charge	BAL Clearing Credit	BAL Clearing Charge	LOC Credit	LOC Charge	Load Recon
<b>Secondary</b>	Yes	No - included in BAL Clearing Charge	No	No	Yes	Yes - includes both DA & BAL	Yes	Yes	Yes
<b>Synch</b>	Yes	No - included in BAL Clearing Charge	No	No	Yes	Yes - includes both DA & BAL	Yes	Yes	Yes
<b>Non-Synch</b>	Yes	No - included in BAL Clearing Charge	No	No	Yes	Yes - includes both DA & BAL	Yes	Yes	Yes



\* PJM prefers Option 1

Option 1 & Option 2 do NOT create separate BLIs for DA & BAL

	Option 1 Do NOT create new BLI numbers (except for Secondary)	Option 2 DO create new BLI numbers
Secondary	1361/2361 – Secondary Reserve	1351/2351 – Secondary Reserve
Synchronized	1360/2360 – Synchronized Reserve	1352/2352 – Synchronized Reserve
Non-Synchronized	1362/2362 – Non-Synchronized Reserve	1353/2353 – Non-Synchronized Reserve
Day-ahead Scheduling Reserve	<del>1365/2365 – Day-ahead Scheduling Reserve</del>	<del>1365/2365 – Day-ahead Scheduling Reserve</del>
Load Recon for Secondary	1471 – Load Recon for Secondary	1451 – Load Recon for Secondary
Load Recon for Synchronized	1470 – Load Recon for Synchronized	1452 – Load Recon for Synchronized
Load Recon for Non-Synchronized	1472 – Load Recon for Non-Synchronized	1453 – Load Recon for Non-Synchronized
Load Recon for Day-ahead Scheduling Reserve	<del>1475 – Load Recon for Day-ahead Scheduling Reserve</del>	<del>1475 – Load Recon for Day-ahead Scheduling Reserve</del>

## Option 3 & Option 4 DO create separate BLIs for DA & BAL

	Option 3 Do NOT create new BLI numbers	Option 4 DO create new BLI numbers
Secondary	1367/2367 - Day-ahead Secondary 1361/2361 – Balancing Secondary Reserve	1351/2351 - Day-ahead Secondary 1354/2354 – Balancing Secondary Reserve
Synchronized	1366/2366 - Day-ahead Synchronized Reserve 1360/2360 – Balancing Synchronized Reserve	1352/2352 - Day-ahead Synchronized Reserve 1355/2355 – Balancing Synchronized Reserve
Non-Synchronized	1368/2368 - Day-ahead Non-Synchronized Reserve 1362/2362 – Balancing Non-Synchronized Reserve	1353/2353 - Day-ahead Non-Synchronized Reserve 1356/2356 – Balancing Non-Synchronized Reserve
Day-ahead Scheduling Reserve	<del>1365/2365 – Day-ahead Scheduling Reserve</del>	<del>1365/2365 – Day-ahead Scheduling Reserve</del>
Load Recon for Secondary	1471 – Load Recon for Secondary	1454 – Load Recon for Secondary
Load Recon for Synchronized	1470 – Load Recon for Synchronized	1455 – Load Recon for Synchronized
Load Recon for Non-Synchronized	1472 – Load Recon for Non-Synchronized	1456 – Load Recon for Non-Synchronized
Load Recon for Day-ahead Scheduling Reserve	<del>1475–Load Recon for Day-ahead Scheduling Reserve</del>	<del>1475–Load Recon for Day-ahead Scheduling Reserve</del>



- Today
  - Synchronized Reserve (9 reports)
  - Non-Synchronized Reserve (2 reports)
  - Day-Ahead Scheduling Reserve (2 reports)
- Future
  - Remove all Day-Ahead Scheduling Reserve
  - Add Secondary Reserve
  - Effective date Synchronized & Non-Synchronized
    - Current vs Future – allows for versioning for at least 2 years

- PJM will move forward with Option 1 while starting to create requirements, unless ...
  - Email [mss@pjm.com](mailto:mss@pjm.com) with disagreement and proposed option
- PJM will start to think how the reports may look in the future
  - Expect to provide thoughts starting at the May MSS meeting

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## Reserve Market Changes



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