

4.5.2 Non-Performance

All resources are credited with a capacity payment any time they are expected to be ready to respond to a Synchronized Reserve Event and failure to provide the directed response results in an obligation to “repay” that credit following instances of non-performance. The following consequences exist for a resource that does not respond with its expected amount of Synchronized Reserve:

- The resource is credited for Synchronized Reserve capacity in the amount that actually responded for all Real-time settlement intervals (five (5) minutes) the resource was assigned or self-scheduled Synchronized Reserve on the day the event occurred, and;
- The owner of the resource incurs a retroactive obligation to refund at the SRMCP the amount of the shortfall measured in MW for all of the Real-time settlement intervals the resource was assigned or self-scheduled over the immediate past interval, the duration of which is equal to the lesser of the average number of days between events as determined by the annual review of the last two (2) years, or the number of days since the resource failed to respond with ~~its assigned or self-scheduled~~ the Synchronized Reserve amount it was directed to deploy in response to a Synchronized Reserve Event.
 - The annual review described above will be completed during the month of November and cover a two (2) year window from November 1st (year – 2) through October 31st (current year). The calculation will be the average interval between Synchronized Reserve Events over the last two years of Synchronized Reserve Event data, rounded down to a whole day value. The results will be communicated to the Operating Committee in December and implemented annually on January 1st.

In cases where a Synchronized Reserve Event lasts less than ten (10) minutes, resources are credited with the amount of Synchronized Reserve capacity they are assigned. The owner of the resource will not incur a retroactive obligation to refund any shortfall between the Synchronized Reserve the resource was directed to deploy ~~the amount of reserve assigned or self-scheduled~~ and the amount of response provided during the event.

Additional details can be found in PJM Manual 28: Operating Agreement Accounting, Section 6.

~~Resources that choose to respond to a Synchronized Reserve Event for their reserve zone in an hour when they are cleared or assigned regulation are expected to return to their regulating band within ten (10) minutes of the end of the Synchronized Reserve Event. From the start of the event, through the event, and for the ten (10) minutes after the end of the event, the performance scores for all regulating resources in the reserve zone where the Synchronized Reserve Event takes place will be null.~~

In the event a resource that has been assigned to provide Non-Synchronized Reserves fails to provide the assigned amount of Non-Synchronized Reserves in response to a Non-Synchronized Reserve Event, the resource will only be credited for Non-Synchronized Reserve capacity in the amount that actually responded for the continuous five (5) minute intervals the resource was assigned Non-Synchronized Reserves during which the event occurred.

Resources assigned to provide Secondary Reserve in Real-time that are subsequently dispatched by PJM to provide Energy during that Operating Day but do not meet their obligation are required to buy back

the Day-ahead assignment at the Real-time Secondary Reserve Market Clearing Price, or if solely assigned in Real-time not being paid for the assigned MW.

- For each generation resource that fails to come online and reach Economic Minimum output within 30 minutes as instructed by PJM the resource's Real-time Secondary Reserve assignment will be set to zero megawatts for that interval and for all prior intervals in which the resource was assigned to provide Secondary Reserve in the Real-time Secondary Reserve Market starting at the later of (A) the last interval the resource was online or (B) the beginning of that Operating Day and continuing up to the interval the resource failed to come online.
- For each Economic Load Response Participant resource that fails to reduce load by at least the Economic Minimum within 30 minutes as instructed by PJM, the resource's Real-time Secondary Reserve assignment will be set to zero megawatts for that interval, and for all prior intervals in which the resource was assigned to provide Secondary Reserve in the Real-time Secondary Reserve Market between such non-performance event starting at the later of (A) the last interval the resource reduced load at the instruction of PJM or (B) the beginning of that Operating Day, and for all subsequent intervals through the earlier of (C) the next interval in which the resource is dispatched to reduce load or (D) the end of the Operating Day.