

# Reactive Issue Charge

MIC

May13, 2021

IMM



Monitoring Analytics

## Education Topics

- **The fundamentals and origins of the relevant parts of OATT Schedule 2;**
- **the requirements for ensuring adequate reactive capability;**
- **the basics of the AEP method and its rationale;**
- **the current treatment of reactive in the capacity market;**
- **the requirements for reactive capability from resources on the transmission, subtransmission and distribution systems; and**

## Education Topics

- **the fundamentals of planning for reactive capability and the coordination of such planning with the competitive PJM market design.**

## Provide Clarification On

- **The role of PJM and resource owners in procuring reactive capability;**
- **The definition of reactive demand and supply;**
- **The precise meaning of reactive capability;**
- **The quality and quantity of reactive capability PJM requires;**
- **The quality and quantity of reactive capability required to obtain interconnection service;**
- **Resource eligibility based on type;**
- **Resource eligibility based on location.**

## **Additional Key Work Activities**

- **Identify and clarify how to treat reactive capital costs and revenues in the capacity market.**
- **Identify and clarify the opportunity costs of providing reactive power in real time for each resource type.**
- **Evaluate the procedures for measurement and verification of reactive capability.**
- **Identify performance requirements for reactive power.**
- **Evaluate the economic basis for the distribution of reactive charges among zones.**

## **Additional Key Work Activities**

- **Propose reforms to the market rules related to reactive power consistent with “the creation and operation of a robust, competitive and nondiscriminatory electric power market in the PJM Region.” (OA § 7.7(vii)).**

**Monitoring Analytics, LLC**

**2621 Van Buren Avenue**

**Suite 160**

**Eagleville, PA**

**19403**

**(610) 271-8050**

**[MA@monitoringanalytics.com](mailto:MA@monitoringanalytics.com)**

**[www.MonitoringAnalytics.com](http://www.MonitoringAnalytics.com)**