

# Discussion of RRS Assumptions

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- Modeling DR in the RRS does not impact the FPR
- Using the CP distributions from the 2016 PJM Load Forecast, instead of the 2015 PRISM Load Model, produces an almost identical 2015 Single Area IRM (FPR)
- The average CBOT calculated with GE-MARS is 1.3% (lower than the CBOT from the 2015 RRS by 0.4 percentage points)
  - Average of 12 values using load shapes from individual years in period 2002-2013
  - CBOT (in MARS) is volatile ranging from 0.3% to 1.9%

- Using the Summer Verification Test data results from the last 3 years produces an estimated amount of ambient derates in the 2015 RRS equal to 2,600 MW
  - The large majority of units affected by ambient derates experience a decrease in MW output that is less than the difference between their ICAP and UCAP
    - Thus, the RPM MW offers of these units are unlikely to be impacted by ambient derates

- Assumption: DR in RRS
  - Option #1 (PJM Recommendation): Continue with current practice of not modeling DR in the RRS
- Assumption: Load Model Selection
  - Option #1 (PJM Recommendation): Retain current procedure (Approaches 1 and 2) but modify it to recognize that the annual peak can only occur on the peak week
    - Very similar to current procedure but modification is justified on the grounds that PRISM load models are magnitude-ordered
    - In the 2015 RRS, this option produces identical IRM/FPR

- Assumption: Load Model Selection
  - Option #2: Abandon the Load Model Selection Process and use CP distributions from Load Forecast to calculate single area IRM/FPR
    - In the 2015 RRS, produces almost identical Single Area IRM as current procedure (and Option #1)
    - Challenges
      - No available CP distributions for World Areas
      - Significant software challenge as CP distributions cannot be used by PRISM
  - Option #3: Use a load model that includes all available load history (from 1998 on)
    - CP1 distribution from Load Forecast becomes irrelevant

- Assumption: World Modeling (CBOT Calculation)
  - Option #1 (PJM Recommendation): Continue with the current practice to calculate the CBOT
    - PRISM
    - Neighboring regions (NYISO, TVA, VACAR, MISO, ISO-NE) are grouped into a single region called World
  - Option #2: Use GEMARS to model the neighboring regions and calculate the CBOT
    - Average of CBOT values calculated with load shapes from 2002 on
    - Renders obsolete the need for analyzing PJM/World peak coincidence in load Model Selection Process

- Assumption: Ambient Derates
  - Option #1 (PJM Recommendation): Continue modeling 2,500 MW worth of ambient derates in the RRS subject to regular analysis of the Summer Verification Test data from the most recent 3 summers.