

Status Report from Special MIC Sessions on Unit Notification and Startup Times

October 12, 2011

- MRC presented with a problem statement at the 2011 January Meeting.
- OC was charged with determining the minimum operational reliability requirements – completed and presented to MIC and MRC in April.
- MIC decided to have special MIC sessions to address market issues associated with the reliability requirements.
- Six Special MIC sessions were conducted on: April 29, May 13, May 23, July 14, Aug 16 and Sep 20.
- At the Sep 20 meeting, a majority agreement was reached on 5 out of the 6 solution components by participants at the meeting.

- The majority proposal was presented to MIC on 10/4.
- At the 10/4 MIC meeting, some participants expressed concerns that the majority proposal does not adequately address the all of the concerns of the MMU and those who were not able to participate.

1. Work with MMU on an alternate proposal
2. If possible, reconcile the MMU proposal with the original majority proposal.
3. Present the final proposal(s) to MIC on 11/1
4. Present MIC decision on the final proposal(s) to MRC on 11/16

1. More than 6 days startup plus notification time
2. Aborted notification costs
3. Start-up time guidelines
4. Notification time guidelines
5. Application to price and cost based schedules
6. Timing for changes to market rules

1. A capacity resource must be available within 6 days during the peak seasons defined by RPM (Jan, Feb, June, July & August)
2. During off-peak seasons, a capacity resource may have more than 6 days lead time without being on forced outage automatically.
3. Forced outage begins if a unit
 - a) Cannot come online as requested by PJM within the max. 6-day requirement;
 - b) Cannot be in a state of readiness (online within 48 hours) within 4 days (i.e. 6 days minus 48 hours) when PJM declares an alert.

4. A capacity resource can request exemption for extending max notification plus startup time beyond 6 days. (Not supported by MMU)

1. All physical cost associated with an aborted notification can be reimbursed. (Not supported by MMU)
2. Extra labor cost beyond the normal startup and notification process can also be reimbursed. (Not supported by MMU)

1. Start-up time should base on physical capability of the unit :

- unit owner's best estimate of start-up sequence from initiation to online synchronization;
- can be dynamic;
- history might not reflect the current state and capability of the unit.

(Not supported by MMU)

There is a split on how notification time should be calculated:

- A. Based on a physical list of scope tasks that must be complete prior to startup and personnel availability. (Supported by MMU, AEP, McNees Wallace, FirstEnergy)
- B. Time needed to meet the 6-day requirement, i.e. 6 days minus start-up time. (Supported by GenOn, PPL, AEP)

1. Notification and Start-up times may differ between price and cost-based schedules.
2. The market-based offer may include additional costs to allow for faster response to a PJM request.

PJM concern: Under a transmission emergency, PJM may not be able call the unit using the less-expensive cost schedule due to its longer lead time.

1. Can be effective immediately upon approval if the final proposal has no material change to the capacity market.