

## Manual 18: PJM Capacity Market, Section 8.4A

- for each generation resource (including External Generation Capacity Resources for PJM-wide events), the resource's committed Unforced Capacity times the ratio<sup>18</sup> of [(total amount of Actual Performance for all generation resources, plus net energy imports<sup>19</sup>, plus total Demand Response Bonus Performance for that hour) / (total amount of committed Unforced Capacity of all Generation Capacity Resources)]; and,
- for each Demand Resource and Energy Efficiency Resource, the resources' committed capacity without making any adjustment for the Forecast Pool Requirement (i.e., the actual load reduction quantity the resource committed to provide); and,
- for each Qualified Transmission Upgrade, the committed MW quantity.

The Performance Shortfall for a resource is calculated as Expected Performance minus the Actual Performance. If the Performance Shortfall for such resource is a positive number, the under-performing resource is subject to a Non-Performance **Assessment**-Charge. If the Performance Shortfall is a negative number, the over-performing resource is-may be eligible for Bonus Performance Credit.

For generation resources with a positive Performance Shortfall amount, the Performance Shortfall may be adjusted downward due to exempt MWs. Exempt MWs consist of the following:

- Unavailable MWs associated with a generator's approved planned or maintenance outage during the Performance Assessment Hour;
- MW for which the generator was not scheduled to operate by PJM;
- or MWs for which the generator was online but was scheduled down by PJM based on the determination by PJM that such scheduling action was appropriate to the security constrained economic dispatch of the PJM Region; or
- Any Performance Shortfall MWs which the generator was not scheduled to provide because it was operating at a MW level consistent with PJM dispatch instructions received in accordance with a PJM acceptable ramp rate, provided the resource was operating within its dispatchable range (i.e. above its Economic Minimum). An acceptable ramp rate will be defined as a ramp or segmented ramp established between the historical ramp/segmented ramp average and historical ramp/segmented ramp maximum by the Market Seller and approved by PJM

If such resource would otherwise have been scheduled by PJM to perform, but was not scheduled to operate, or was scheduled down solely due to ~~for reasons other than~~ (1) any operating parameter limitations submitted in the resource's offer or (2) submission of a market-based offer higher than its cost-based offer but would have been scheduled if its market-based offer had been equal to its cost-based offer, then these MWs will not be considered exempted and will not result in a downward adjustment to the Performance Shortfall.

For purposes of the Non-Performance Assessment for demand resources, compliance will be measured in a similar manner as load management event compliance in Section 8.5 with the following adjustments:

- compliance will be measured for each Performance Assessment Hour, as opposed to being averaged across all hours of the Load Management event;
- compliance will be measured and summed for all registrations dispatched by PJM within the area defined by the Emergency Action, as opposed to the Compliance Aggregation Area;
- for each registration, the amount of actual non-summer load reduction provided is to be measured using the same Customer Baseline Load (CBL) methodology currently employed for measuring load reductions in the energy market as described in Manual 11. The amount of actual load reduction during a summer (June-September) Performance Assessment Hour is to be measured using the current methodology as described in Manual 19.