



2022 Reserve Requirement Study (RRS) Final Results

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Resource Adequacy Planning
Markets & Reliability Committee
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- Study results will re-set the FPR and IRM for 2023/24, 2024/25, 2025/26 and establish initial IRM and FPR for 2026/27.
- Capacity model built with GADS data from 2017-2021 time period for all weeks of the year except the winter peak week.
 - For the winter peak week, the capacity model is created using historical actual RTO-aggregate outage data from time period DY 2007/08 – DY 2021/22 (in addition, data from DY 2013/14 was dropped and replaced with data from DY 2014/15)
- PJM and World load models based on 2002-2012 time period and 2022 PJM Load Forecast.
- Study assumptions were endorsed at June, 2022 PC meeting.
- Load Model selection was endorsed at August, 2022 PC meeting.

2022 RRS Results vs 2021 RRS Results

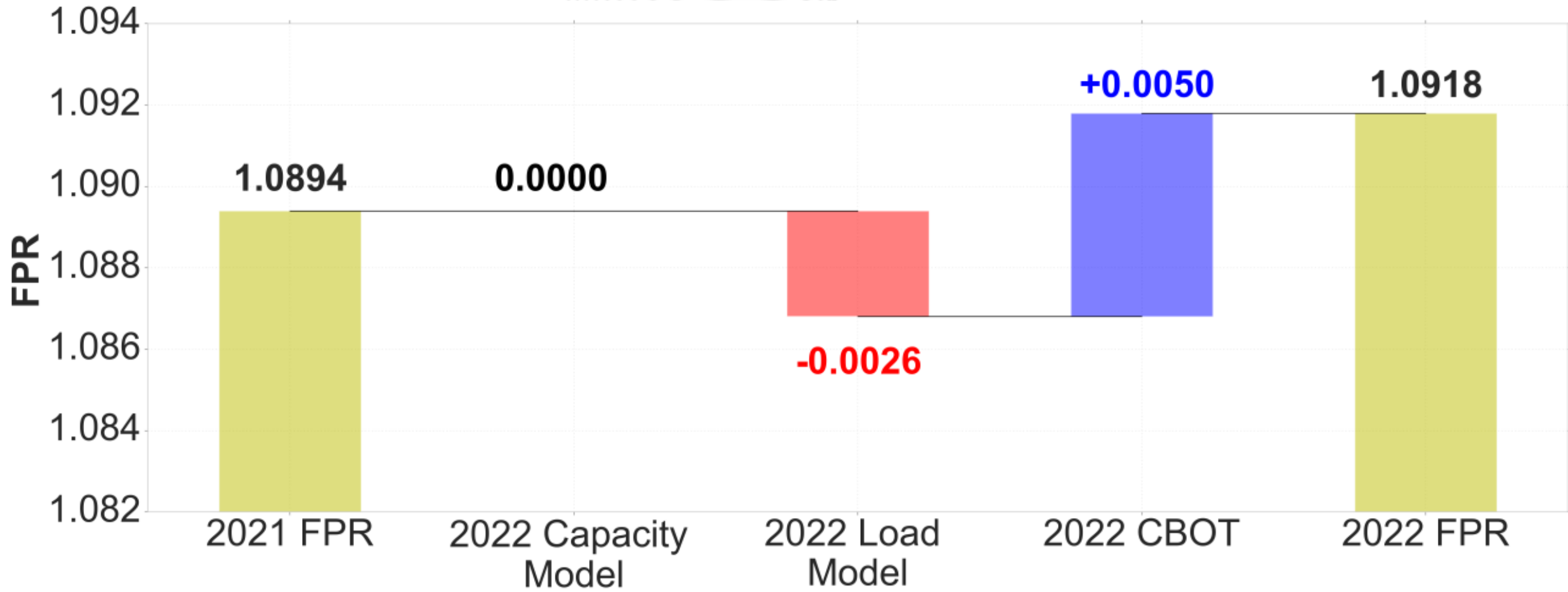
2022 RRS Study results:

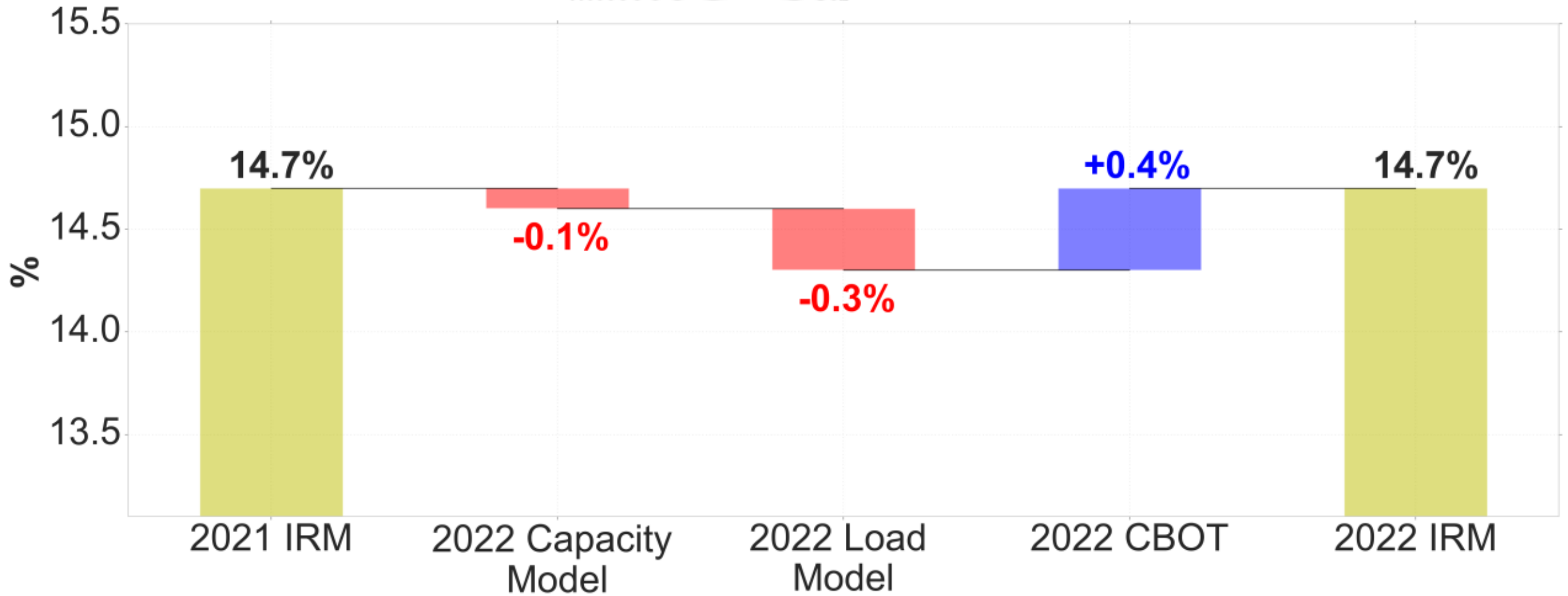
RRS Year	Delivery Year Period	Calculated IRM	Recommended IRM	Average EFORd	Recommended FPR*
2022	2023 / 2024	14.87%	14.9%	4.87%	1.0930
2022	2024 / 2025	14.75%	14.8%	4.83%	1.0926
2022	2025 / 2026	14.72%	14.7%	4.81%	1.0918
2022	2026 / 2027	14.70%	14.7%	4.81%	1.0918

2021 RRS Study results:

RRS Year	Delivery Year Period	Calculated IRM	Recommended IRM	Average EFORd	Recommended FPR*
2021	2022 / 2023	14.93%	14.9%	5.08%	1.0906
2021	2023 / 2024	14.76%	14.8%	5.04%	1.0901
2021	2024 / 2025	14.68%	14.7%	5.02%	1.0894
2021	2025 / 2026	14.66%	14.7%	5.02%	1.0894

* FPR = (1 + IRM)*(1 - Average EFORd)





- The 2022 Load Model, relative to the 2021 Load Model, puts downward pressure on both the FPR and the IRM
 - Variability of the annual peak load distribution is less in 2022 RRS than in 2021 RRS
- The 2022 Capacity Benefit of Ties (CBOT), relative to the 2021 CBOT, puts upward pressure on both the FPR and the IRM
 - The CBOT decreased to 1.0% (2022 RRS) from 1.4% (2021 RRS).
 - The decrease is driven by a higher PJM peak load at the time of the World's peak (96.7% of the annual peak in 2022 while in 2021 it was 92.1%)
- The 2022 Capacity Model, relative to the 2021 Capacity Model, puts downward pressure on the IRM.
 - The Average EEFORd in the 2022 RRS (for DY 2026) is 5.70% whereas in the 2021 RRS (for DY 2025) was 5.80 %

- The 2022 RRS Report has been posted alongside this presentation
- No major additions/changes/deletions are included in the 2022 RRS Report

- For FPR and IRM
 - Oct-Nov, MRC and MC: review and vote on FPR and IRM
 - Dec, PJM Board: final approval of FPR and IRM

- Endorsement of the Recommended FPR and IRM values in bold in the table below

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2022 Reserve Requirement Study



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