

Synchronous Condensing Costs

Problem / Opportunity Statement

Synchronous condensers incur certain costs when operating in condensing mode. Units operate in condensing mode to provide reserves, reactive support or post contingency operation.

Condensers provide PJM with two operating parameters and three financial parameters as part of their offers. These parameters are:

- Condense Energy Use (MW)
- Condense Notification Time
- Condense to Generate Time
- Condense Startup Cost
- Condense to Gen Cost
- Condense Hourly Cost

PJM Manual 11 (Energy & Ancillary Services Market Operations) and the Markets Gateway User Guide contain the definitions of these parameters. The Cost Development Guidelines (Manual 15) defines two components:

1. Startup Costs (CTs) or Condensing Start Costs (Hydro).
2. Actual cost of power consumed during condensing operations.

The Operating Agreement has no definitions.

The definitions of these parameters need to be reviewed, clarified or corrected when necessary, and documented in Manual 15 and the Operating Agreement.

Issue Source

The PJM Independent Market Monitor.

Issue Content

The work is intended to review, clarify, propose changes, and document the costs includable in the offers from synchronous condensers.

Key Work Activities and Scope Content

1. Review the current definitions.
2. Propose changes or new definitions.
3. Document definitions in Manual 15 and the Operating Agreement.

Expected Deliverables

Manual 15 and Operating Agreement Revisions.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal.

Stakeholder Group Assignment

This item will be discussed at the Cost Development Subcommittee (CDS) with the expected Manual 15 changes forwarded to the Market Implementation Committee (MIC) for endorsement.

Expected Duration of Work Timeline

This item can be immediately discussed at the CDS. The expected timeline to complete this task is estimated to be 3 months.

Start Date	Priority Level	Timing	Meeting Frequency
	<input type="checkbox"/> High	<input checked="" type="checkbox"/> Immediate	<input type="checkbox"/> Weekly
	<input type="checkbox"/> Medium	<input type="checkbox"/> Near Term	<input checked="" type="checkbox"/> Monthly
	<input checked="" type="checkbox"/> Low	<input type="checkbox"/> Far Term	<input type="checkbox"/> Quarterly

Charter

(Check one Box)

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).