



Reserve Price Formation Manual Revisions

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Performance Compliance
System Operations Subcommittee
August 3, 2022

- Effective October 1, 2022 several aspects of the PJM Reserve markets will change
 - As a result of Reserve Price Formation efforts, 2018 to-date
 - Consolidation of Tier 1 and Tier 2 Synchronized Reserve products
 - Alignment of reserve products in Day-Ahead and Real-Time
 - Flexible modeling of Reserve subzones
- All revisions to current manuals are meant to be conforming to FERC Orders: EL19-58-000 and ER19-1486-000
 - FERC's response to the PJM February 22, 2022 Compliance Filing is pending

- Several manuals require updates to account for the Reserve Price Formation implementation:
 - Operations Related Manuals:
 - Manual 10: Pre-Scheduling Operations
 - Manual 12: Balancing Operations
 - Manual 13: Emergency Operations
 - Markets and Settlements Related Manuals:
 - Manual 11: Energy & Ancillary Services Market Operations
 - Manual 15: Cost Development Guidelines
 - Manual 28: Operating Agreement Accounting
 - Manual 29: Billing



Reserve Price Formation Manual Revision Schedule

	Committee	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Manuals 10, 12, 13	SOS				8/3 ●	★ 9/1			
	OC				8/11 ●	★ 9/8			
	MRC				8/24 ●	★ 9/21			
Manuals 11, 28, 29	MIC				8/10 ●	★ 9/7			
	MRC				8/24 ●	★ 9/21			
Manual 15	CDS			7/6 ○					
	MIC			7/13 ●	★ 8/10				
	MRC				8/24 ●	★ 9/21			
	MC				8/24 ●	★ 9/21			

- First Read
- ★ Endorsement
- Info Only

Go-live for Reserve Price Formation changes is **October 1st 2022**

Revisions to M-10: Pre-Scheduling Operations

- The existing language was updated to account for the Reserve Market implementation:
 - Adds language for ten minute reserve products to be procured DA and renames existing DASR market to Day-Ahead Secondary Reserve Market (due to alignment of reserve products in Day-Ahead and Real-Time)
 - Removes duplicative language regarding market participation rules that are covered in Manual 11
 - Adds reference to M-11



Revisions to M-12: Balancing Operations

- Coinciding with Reserve Price Formation effective 10/1, Dominion-Virginia Power will exit the VACAR Reserve Sharing Group.
 - Reference to VACAR removed from M-12
 - Manual section numbering and section references updated

- Section 3.1 Adjusting PJM Balancing Area Scheduled Resources
 - Removed reference to Tier 2 reserves

- Attachment F Exhibit 16
 - Removed Day Ahead Scheduling Reserve from Market Service
 - Replaced Reserve Credits with Secondary Reserve
 - Replaced Eligible with Eligible if meets PJM criteria



Revisions to M-13: Emergency Operations

- Reserve Requirements update to reflect alignment between Day Ahead market and Real Time market reserve products
 - 30 minute (secondary/operating) reserve product
 - Greater of 3000mw or Primary Reserve Requirement or largest active gas pipeline contingency
 - Remove language associated with Day Ahead Scheduling Reserve
 - Remove reference to Load Forecast Error and Generator Forced Outage Rate
 - Update to Reserve Requirement Table

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Reserve Price Formation Manual Revisions



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