



Review of BOR Cost Allocation

EMUSTF

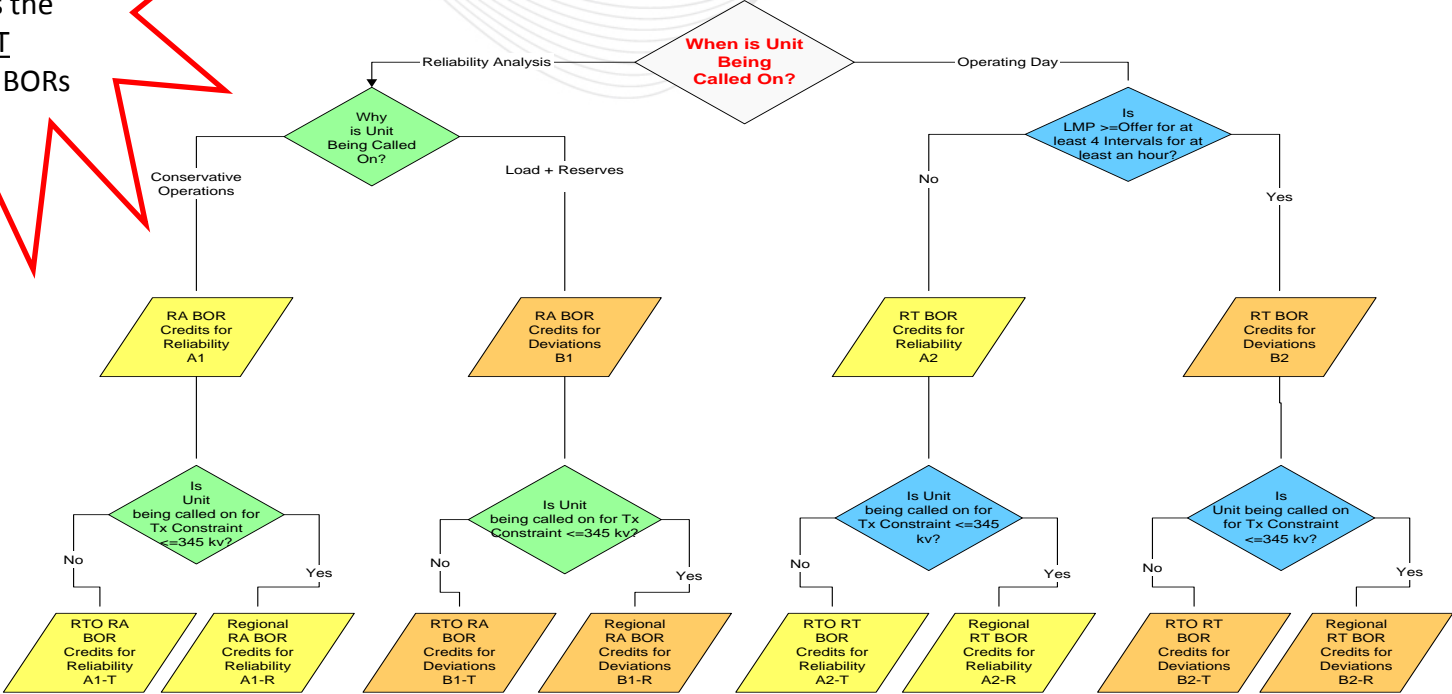
March 13, 2014

Balancing Operating Reserve Cost Allocation

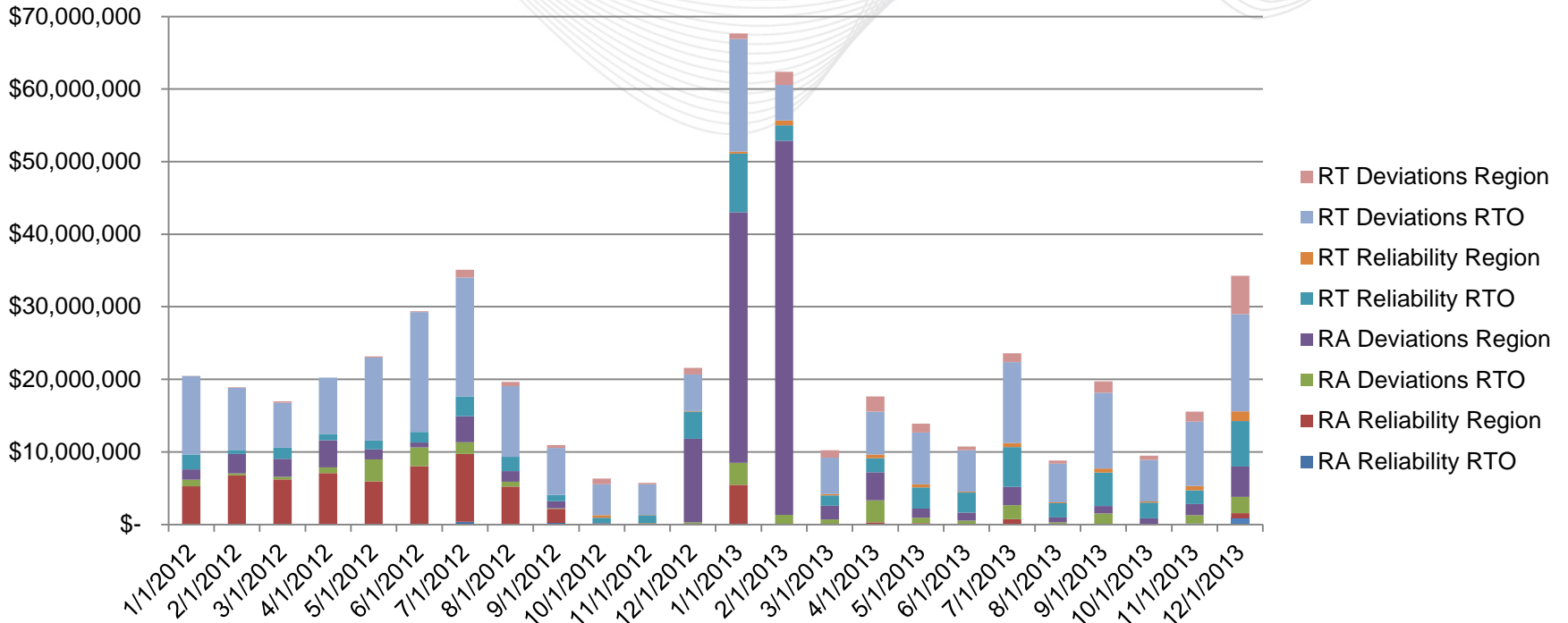


This BORCA process determines the **TOTAL COST** (credits) of BORs

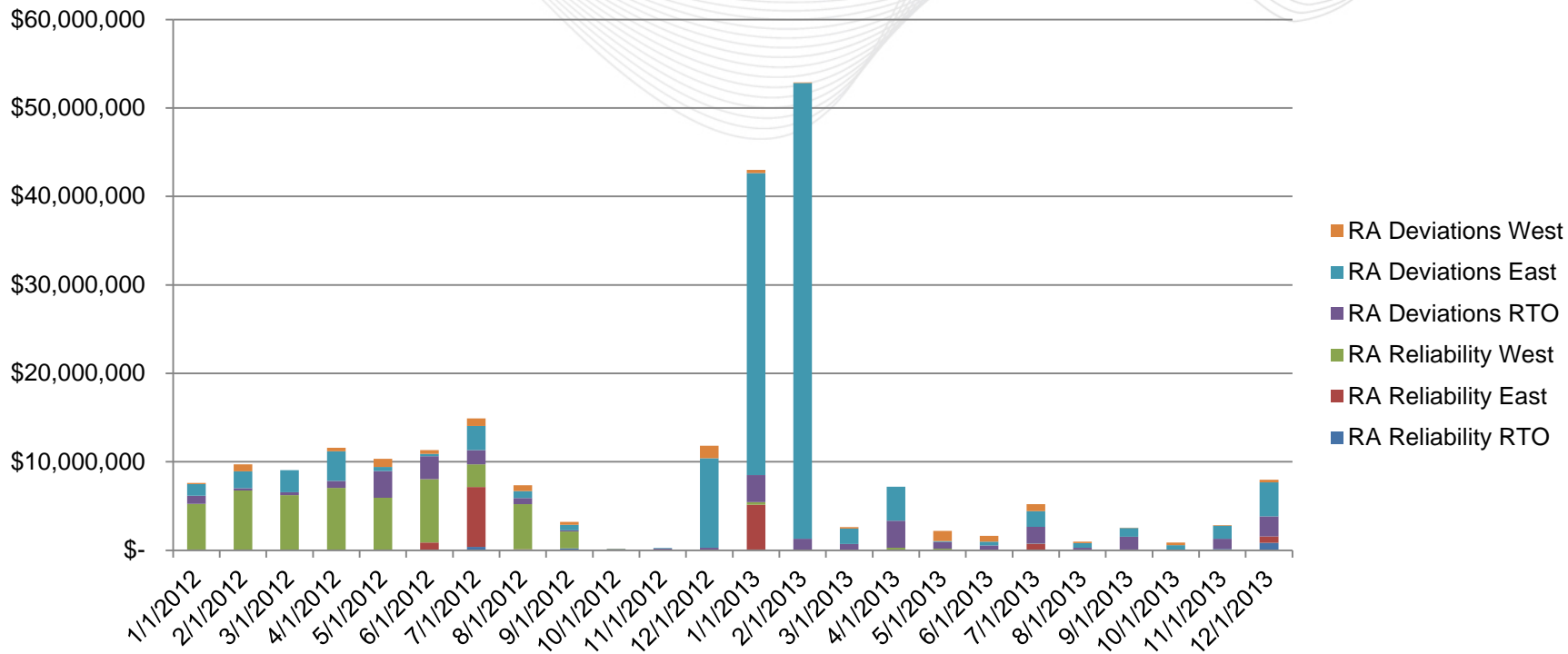
Balancing Operating Reserve Cost Allocation



Balancing Operating Reserve Cost Allocation

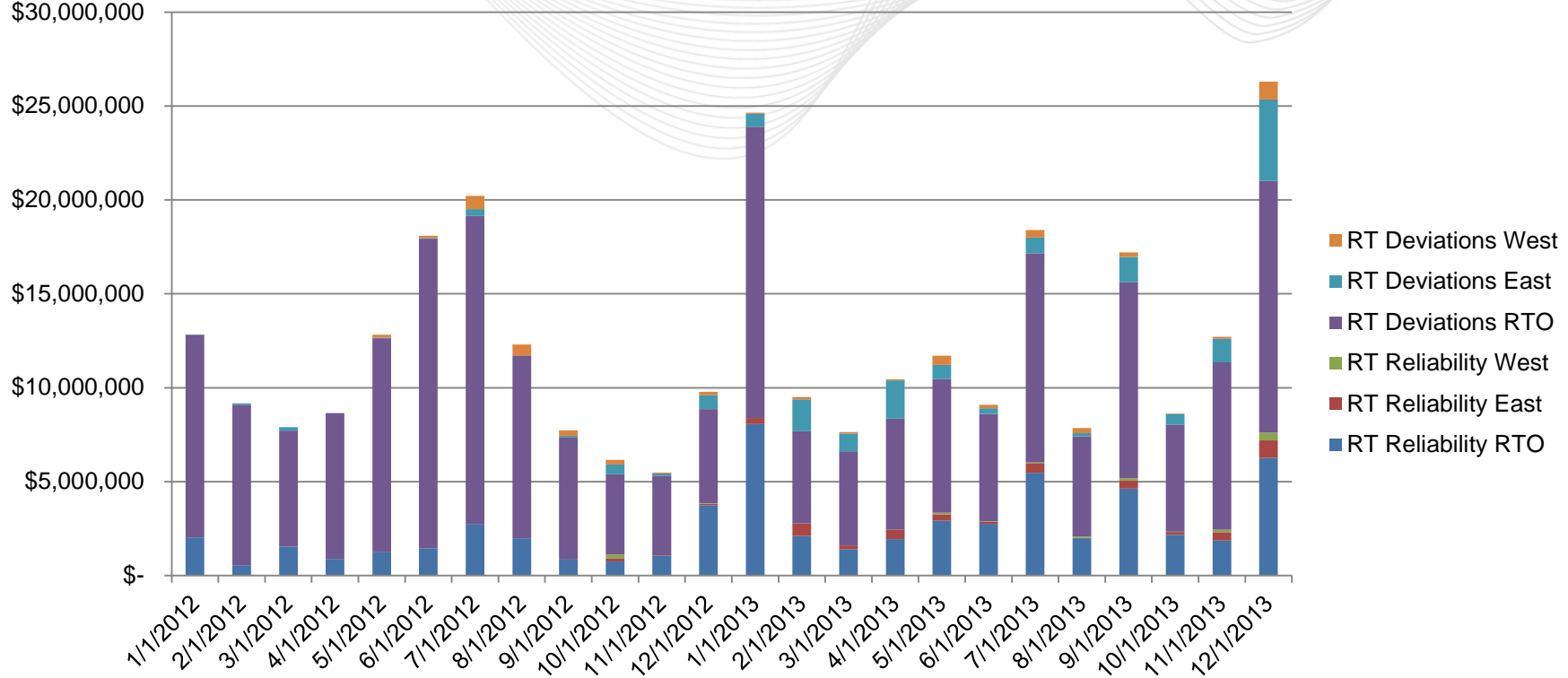


Balancing Operating Reserve Cost Allocation – Reliability Analysis





Balancing Operating Reserve Cost Allocation – Operating Day



- BORCA cost allocation is volatile
- Peaks occur during extreme weather conditions and when gas costs are high
- RTO RT Deviation allocation consistently contributes to the total
 - PJM can investigate this bucket further to determine if any improvements can be made