

Adjustments to ORDC for Operator Actions

Angelo Marcino
Senior Lead Engineer
Real Time Market Operations
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- Goal is to allow system operators flexibility in managing and maintaining system reliability but capture these actions in the market pricing
- Adjustments would be made to the base requirement portion of the curve
 - Operator adjusts the Minimum Reserve Requirement (MRR) not the slope of the curve

- Adjustments to the MRR portion of the curve can be classified as either a Market Adjustment or Out of Market Adjustment
- Market Adjustments - Operator identifies need for additional reserves and adds desired MW to the MRR.
 - No specific resource is identified. The market will select the least cost set of resources to provide the reserves.
 - Operator defines the hours the MRR is adjusted based on the operating condition driving the need for additional reserves.

- Examples of Market Adjustments
 - Changes in system topology that effect the largest contingency
 - Extreme weather event
 - Hurricane Sandy – Covering Nuclear units potentially taken offline due to high winds
 - Tail end of a hot weather event - Increased uncertainty in forced outages and weather forecast
 - First extreme cold day (Polar Vortex type event)

- Out of Market Adjustments –
- Dispatch may commit a unit outside of the market clearing engines based on reliability needs not modeled in the software specifically to create additional reserves on the system.
 - MRR is updated to reflect the additional reserve amount the operator is attempting to procure
 - Reflects operator actions in prices
 - Operator defines the hours the MRR is adjusted based on the operating condition driving the need for additional reserves.
 - Out of Market commitments not intended to create additional reserves will not be added to the MRR (change from approach presented on 7/17)
 - For example, commitments for reactive/voltage needs or non-market facilities

- Real Time Notification
 - Adjustments to the MRR for Operator Action
 - Provide notification to Market Participants using existing notification process when additional spinning reserve is carried today
 - Post informational message which is accessible in Markets Gateway and PJM Tools/My Tools Home
 - In Data Viewer include the MW added to the MRR

- Historical Posting
 - Provide the following information:
 - Reason for the change
 - Impacted hours
 - MW amount
 - Incorporate this data in Monthly Ops Summary or Operational Metrics Report and report at the SOS and OC