



Tier2 Synchronized Reserve Performance

August 29, 2013

❑ Current Penalty

The resource is credited for Tier2 synchronized reserve capacity in the amount that actually responded for the contiguous hours the resource was assigned Tier2 synchronized reserve during which the event occurred

The owner of the resource incurs a synchronized reserve obligation in the amount of the shortfall for the three consecutive, same-peak days occurring at least three business days following the event.

❑ Augmented Penalty

- Remove the “contiguous” hours statement from the same day penalty;
- Increase the duration of the following days penalty from 3 to the average number of days between events as determined by the Annual Review of the last 2 years;
- Eliminate the $(x \text{ event duration}/60)$ [MWh] from the penalty calculation to get a true MW value

Changes made in section 4.2.12 of M-11. Conforming change also in section 6.3 of M-28

1.7.19A Synchronized Reserve.

(a) Synchronized Reserve shall be supplied from non-emergency generation resources and/or Demand Resources located within the metered boundaries of the PJM Region. All on-line non-emergency generation resources providing energy are deemed to be available to provide Tier 1 Synchronized Reserve and Tier 2 Synchronized Reserve to the Office of the Interconnection, as applicable to the capacity resource's capability to provide these services. During periods for which the Office of the Interconnection has issued a Primary Reserve Warning, Voltage Reduction Warning or Manual Load Dump Warning as described in Section 2.5(d) below, all other non-emergency generation capacity resources available to provide energy shall have submitted offers for Tier 2 Synchronized Reserves. Generating Market Buyers, and Market Sellers offering Synchronized Reserve shall comply with applicable standards and requirements for Synchronized Reserve capability and dispatch specified in the PJM Manuals, the Operating Agreement and PJM Tariff.

Section 1.7.19A of the Tariff and Section 4.2.1 of Manual 11

M-11 Energy & Ancillary Services Market Operations

- Section 4.2.1 – clarifying updates for the Tier2 Must Offer Requirement
- Section 4.2.4 – Rewording of synchronized reserve offer period.
- Section 4.2.12 – Augment language for Tier2 non-performance to a synchronized reserve event

M-28 Operating Agreement Accounting

- Section 6.3 – Augment language for Tier2 non-performance to a synchronized reserve event