



PJM Interconnection, L.L.C.
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Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426

*Re: PJM Interconnection, L.L.C., Docket Nos. ER15-623-000 and EL15-29-000
Informational Filing on the use of 30 hours as the number of Performance Assessment
Hours*

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") order in this proceeding dated June 9, 2015,¹ PJM Interconnection, L.L.C. ("PJM") hereby submits this informational filing to provide the Commission with an update on the use of 30 hours as the number of Performance Assessment Hours.²

I. BACKGROUND

On December 12, 2014, PJM submitted proposed changes to the Open Access Transmission Tariff ("Tariff") and Reliability Assurance Agreement Among Load Serving Entities in the PJM Region ("RAA") in order to establish a Capacity Performance Resource³ to

¹ See *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,208 (June 9, 2015) ("June 9 Order").

² Pursuant to the Commission's directive in Order No. 825, PJM now uses 5-minute intervals in settlements rather than on an hourly basis. See *Settlement Intervals and Shortage Pricing in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 825, 155 FERC ¶ 61,276 (2016). As part of its compliance with Order No. 825, PJM modified the terminology of Performance Assessment Hours to Performance Assessment Intervals. PJM will use the term "Performance Assessment Intervals" instead of "Performance Assessment Hours" for the remainder of this filing. Each interval corresponds with 5 minutes so 30 hours equals 360 intervals (12 times 30).

³ All capitalized terms that are not otherwise defined herein shall have the same meaning as they are defined in the Tariff, the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., or the RAA.

ensure that PJM's capacity market provides adequate incentives for resource performance in Docket No. ER15-623-000. In a related and contemporaneous filing, PJM submitted proposed changes to the Operating Agreement and to the Tariff to address these performance issues, as applicable to PJM's energy market, in Docket No. EL15-29-000.

As part of the June 9 Order, the Commission accepted PJM's proposal to use 360 intervals of Emergency Action to approximate the number of Performance Assessment Intervals in formulating the Non-Performance Charge. The Commission conditioned its acceptance on PJM making annual informational filings to provide updates on the use of 360 intervals as the number of Performance Assessment Intervals within 180 days of the conclusion of each Delivery Year for five years, beginning with the 2016/2017 Delivery Year.⁴ Specifically, the Commission sought information regarding the average net capacity revenues for groups of Capacity Performance Resources with varying levels of performance during Performance Assessment Intervals under (i) the actual Non-Performance Charge rate based on 360 intervals and (ii) higher and lower alternative Non-Performance Charge rates based on less than and greater than 360 intervals.

II. UPDATE ON THE NUMBER OF PERFORMANCE ASSESSMENT INTERVALS

For the 2018/2019 Delivery Year ending on May 31, 2019, one load shed directive was issued on July 18, 2018, which triggered 18 Performance Assessment Intervals.⁵ However, there was no Capacity Resource located in the area of the Load Shed Directive that could have

⁴ June 9 Order at P 163.

⁵ Additional information on this load shed event can be found at <https://www.pjm.com/-/media/committees-groups/committees/oc/20180807/20180807-item-05b-sos-oc-lonesome-pine-load-shed-event.ashx>.

mitigated the voltage violations, so no resources were assessed a Performance Shortfall and no Balancing Ratio was calculated for this event.

In the meantime, PJM commits to continue monitoring the appropriateness of the estimated 360 Performance Assessment Intervals and will continue submitting the required annual informational filings within 180 days of the conclusion of each Delivery Year pursuant to the Commission's directive.⁶

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Respectfully submitted,



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*On behalf of
PJM Interconnection, L.L.C.*

⁶ While not part of the 2018/2019 Delivery Year, there was a Pre-Emergency Load Management event that triggered Performance Assessment Intervals on October 2, 2019. PJM intends to include additional details pertaining to this event in the next informational filing upon completion of the 2019/2020 Delivery Year. Additional information for this event is detailed in the Review of the October 2019 Performance Assessment Event, available at <https://www.pjm.com/-/media/committees-groups/committees/oc/20191112/20191112-item-04-review-of-the-october-2019-performance-assessment-event-paper.ashx>.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in these proceedings.

Dated at Audubon, PA, 27th day of November, 2019

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