

Modified Performance Assessment Structure for DY 25/26 and beyond.

1. Use the LDA BRA Clearing Price for the Non-Performance Charge Rate in place of Net CONE.
2. Change the annual stop-loss provision to align with the BRA Clearing Price.
3. Revise the PAI trigger as developed by PJM and the IMM.

Proposed OATT Changes

1. CP Non-Performance Penalty Rate – OATT, Att DD, Section 10A (e) –

For Capacity Performance Resources and Seasonal Capacity Performance Resources, the Non-Performance Charge Rate = $\frac{\text{Base Residual Auction clearing price} \times \text{Net Cost of New Entry (stated in terms of installed capacity)}}{\text{(the number of days in the Delivery Year / 30)} \times \text{(the number of Real-Time Settlement Intervals in an hour)}}$ for the LDA and Delivery Year for which such calculation is performed.

2. CP Non-Performance Stop Loss - OATT, Att DD, Section 10A(f) –

The Non-Performance Charges for each Capacity Performance Resource (including Locational UCAP from such a resource) and each PRD Provider for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Net Cost of New Entry Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource or such PRD Provider times the number of days in the Delivery Year. ~~All references to Net Cost of New Entry in this section 10A shall be to the Net Cost of New Entry for the LDA and Delivery Year for which the calculation is performed. The total Non-Performance Charges for each Base Capacity Resource (including Locational UCAP from such a resource) for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to the total payments due such Capacity Resource or Locational UCAP under Tariff Attachment DD, section 5.14 for such Delivery Year.~~ The Non-Performance Charges for each Seasonal Capacity Performance Resource for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Net Cost of New Entry Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource times the number of days in the season applicable to such resource.

3. Revise the PAI trigger as proposed by IMM.

Emergency Action

“Emergency Action” shall mean (1) any megawatt shortage of the Primary Reserve requirement (as specified in the PJM Manuals) in a Reserve Zone or Sub-Zone, inclusive of any adjustments to such requirement to account for system conditions, as determined by the dispatch run from the security constrained economic dispatch and where there is also a Voltage Reduction Warning and reduction of critical plant load, Manual Load Dump Warning, Maximum Emergency Generation Action, or the curtailment of non-essential business loads and voltage reduction that encompasses such Reserve Zone or Reserve Sub-zone or (2) anytime the Office of Interconnection identifies an emergency and issues a load shed directive, Manual Load Dump Action, Voltage Reduction Action, or deploy all resources action for an entire Reserve Zone or Reserve Sub-zone.

Trigger Proposal:

1. A PAI will be triggered for a reserve zone and/or reserve subzone when conditions (a) and (b) are both met or condition (c) is met.
 - a. PJM is short primary reserves for a reserve zone and/or a reserve sub-zone.
 - i. A primary reserve shortage is when the assigned MW are less than the requirement in the dispatch run of the RT SCED.
 - ii. The requirement includes 150 percent of the synchronized reserve requirement, defined to be the largest contingency plus any adjustments made to manage system conditions.
 - b. There is an emergency procedure from the list below in effect for the entire reserve zone and/or reserve subzone experiencing the reserve shortage.
 - i. Voltage Reduction Warning and Reduction of Non-Critical Plant Load
 - ii. Manual Load Dump Warning
 - iii. Simultaneous call of a Maximum Emergency Generation Action and Emergency Load Management Reduction Action
 - iv. Curtailment of Non-Essential Business Load and Voltage Reduction
 - c. The following emergencies will automatically trigger a PAI if they are called for an entire reserve zone or reserve subzone.
 - i. Deploy All Resources Action
 - ii. Voltage Reduction Action
 - iii. Manual Load Dump Action
 - iv. Load Shed Directive
 2. The following emergency procedures will not be used in the determination of a PAI:
 - a. Unit Startup Notification Alert
 - b. Maximum Generation Emergency/Load Management Alert
 - c. Primary Reserve Alert
 - d. Voltage Reduction Alert
 - e. Primary Reserve Warning
 - f. Pre-Emergency Load Management Reduction
 - g. Emergency Voluntary Energy Only Demand Response Reductions
 - h. Local Load Shed Directive
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