



# MIC Special Session: Operating Reserve Clarification for Resources Operating as Requested by PJM

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Facilitator, Special MIC  
MC Webinar  
October 28, 2024

- The issue charge was initiated by PJM and the Independent Market Monitor in February, 2022.
  - Targeted changes to the treatment of CTs were made in Fall 2022, then work was deferred until Fall 2023.
- It aims to clarify the rules around the payment of Balancing Operating Reserve Credits to resources that do not operate as expected and strengthen incentives for resources to operate consistent with PJM's directions.

## Q4 2023

Education

Interest Identification

Design Components

## Oct 2024

Package  
Development

## Oct 2023 – Oct 2024

Solution Option  
Development

## Next Steps

Narrow Packages/Polling  
if necessary

Report to MIC (First  
Read ~Jan 2025)

Voting on Package(s) at  
MIC

MIC: Operating Reserve Clarification for Resources Operating as Requested by PJM Work Plan	MEETING														
	9/11/23	10/16/23	11/10/23	12/11/23	1/12/24	3/11/24	4/12/24	5/13/24	6/10/24	7/15/24	9/10/24	10/11/24	11/15/24	12/9/24	1/25 MIC
Develop Work Plan	X														
Education & Joint Fact-Finding	X	X													
Interest Identification		X													
Develop Design Components		X	X												
Document Relative Importance of each Component	X	X	X												
Develop Options for each Component		X	X	X	X	X	X	X	X	X	X	X			
Narrow Options											X	X	X		
Develop Packages												X	X		
Narrow Packages <i>(Compare Packages to Interests &amp; Importance Ratings)</i>													X	X	
Consensus Testing														X Polling	
Reporting to Parent Committee															X

**X** – appears for each meeting where this work activity occurs

Prior MIC Meetings  
 Education & Joint Fact-Finding – 4/13/2022, 5/11/2022, 7/13/2022, 10/6/2022  
 Interest Identification - 5/11/2022  
 Develop Design Components – 6/8/2022, 7/13/2022

- One Package was introduced during the October 11, 2024 Special Session meeting. Proposed changes are expansive.
  - [PJM/IMM Proposal Overview](#) (details on next slide)
- Package Development will continue during the November 15, 2024 meeting.
  - Additional Packages should be sent to the facilitation team in advance of the meeting so it can be pre-loaded into the matrix, and the sponsor should be prepared to present.

1

Adjustments to the periods for which resources will be eligible to receive Balancing Operating Reserve Credits

2

Use of a new Tracking Ramp Limited Desired MW metric to measure how well a unit follows dispatch across consecutive intervals.

3

Structural changes to the Balancing Operating Reserve Credit calculation to:

- Simplify the calculations while still ensuring uplift is limited to the amount that would have been owed if the unit had been producing the desired MW.
- Increase transparency of the financial impact of not operating as desired
- Ensure more complete accounting of revenues and costs and prevent double recovery of costs

4

Conforming changes to the calculation of generator deviations

**This proposal is jointly supported by PJM and the IMM.**

1	2	3
<ul style="list-style-type: none"><li>• Package Development is underway. One Package has been proposed. The proposed changes are expansive.</li></ul>	<ul style="list-style-type: none"><li>• Additional Packages can be proposed.</li><li>• Packages will be narrowed and polling may be used.</li></ul>	<ul style="list-style-type: none"><li>• The issue will be brought back to MIC (First Read ~Jan. 2025) where voting on Package(s) can take place</li></ul>

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**Member Hotline**

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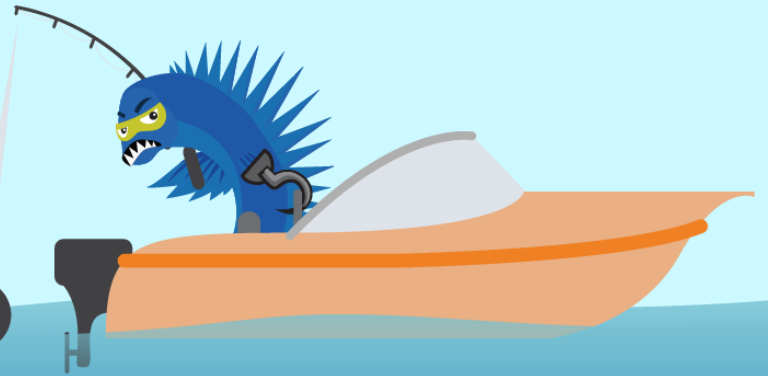
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