



Cost Development Subcommittee Update July 2023

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Transmission Operations
Manager

- PS/IC Synchronous Condensing Costs
 - Joel Luna presented a PS/IC on Synchronous condensing costs followed by some education on the topic

NEXT STEPS: CDS will be asked for consensus at next meeting and revised M-15 language will be presented.
- Fuel Cost Policy Update
 - A reminder on the Fuel Cost Policy was given

Problem / Opportunity Statement

Synchronous condensers incur certain costs when operating in condensing mode. Units operate in condensing mode to provide reserves, reactive support or post contingency operation.

Condensers provide PJM with two operating parameters and three financial parameters as part of their offers. These parameters are:

- Condense Energy Use (MW)
- Condense Notification Time
- Condense to Generate Time
- Condense Startup Cost
- Condense to Gen Cost
- Condense Hourly Cost

PJM Manual 11 (Energy & Ancillary Services Market Operations) and the Markets Gateway User Guide contain the definitions of these parameters. The Cost Development Guidelines (Manual 15) defines two components:

1. Startup Costs (CTs) or Condensing Start Costs (Hydro).
2. Actual cost of power consumed during condensing operations.

The Operating Agreement has no definitions.

The definitions of these parameters need to be reviewed, clarified or corrected when necessary, and documented in Manual 15 and the Operating Agreement.

Jan – Mar

Apr – Jun

Jul – Sep

Oct – Dec

CDS
2023
Items

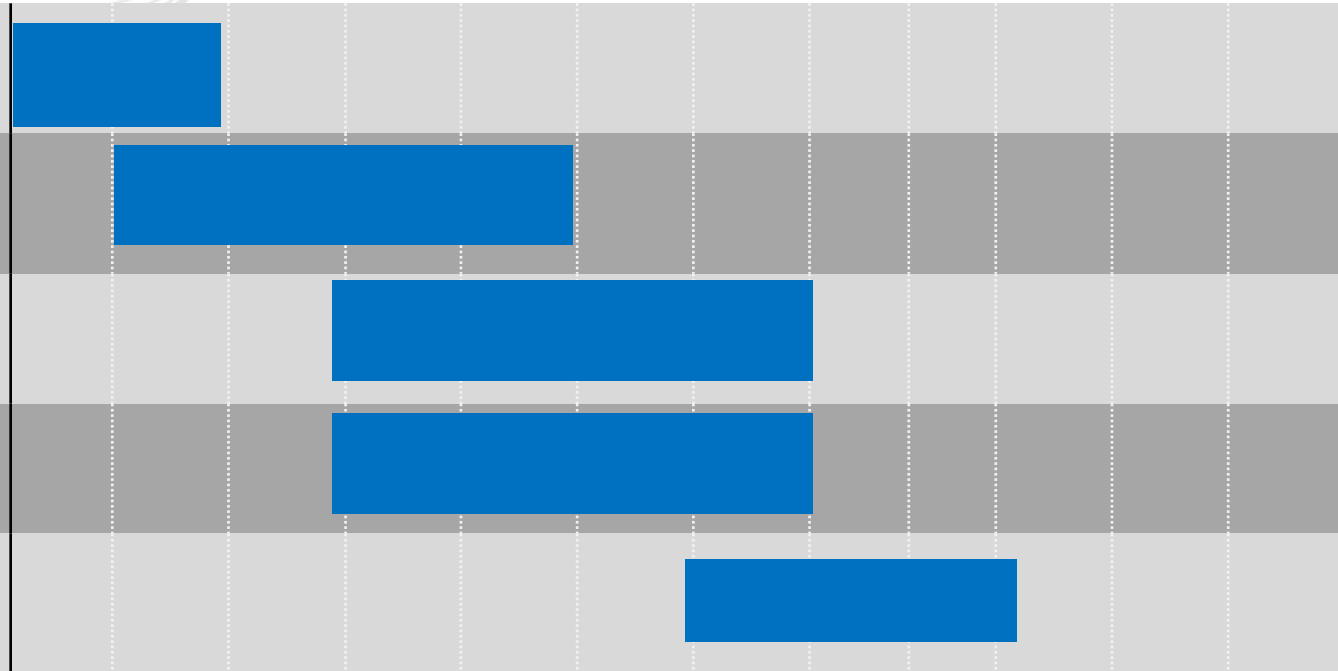
Heat Input Options/Modeling

Energy Offers for co-generation and co-located loads

Condensing Costs

Pumping Costs

Nonzero cost-based offers for units that are not dispatched / not committed by PJM



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Cost Development Subcommittee Update



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