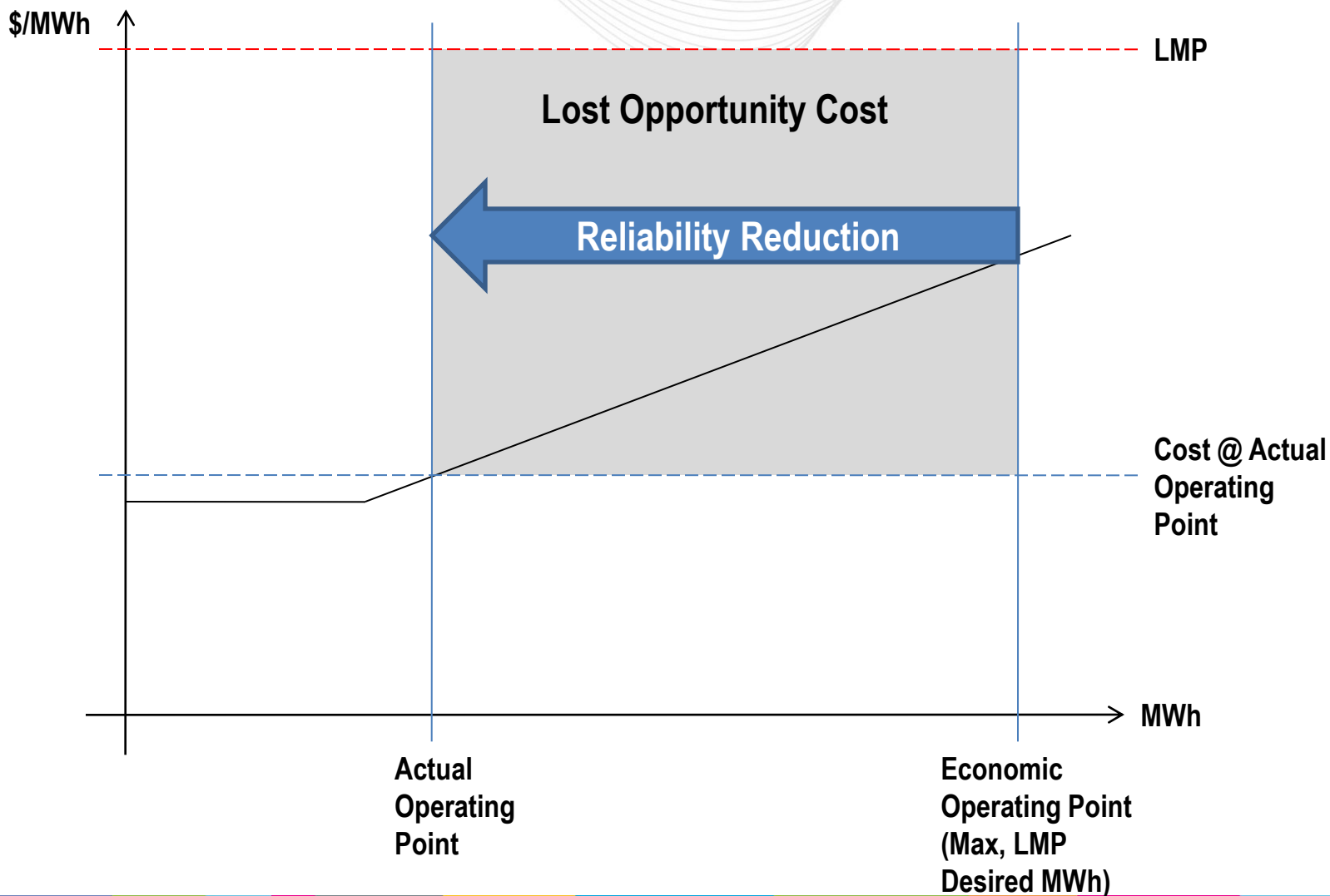


# Dispatchable Wind Resource LOC

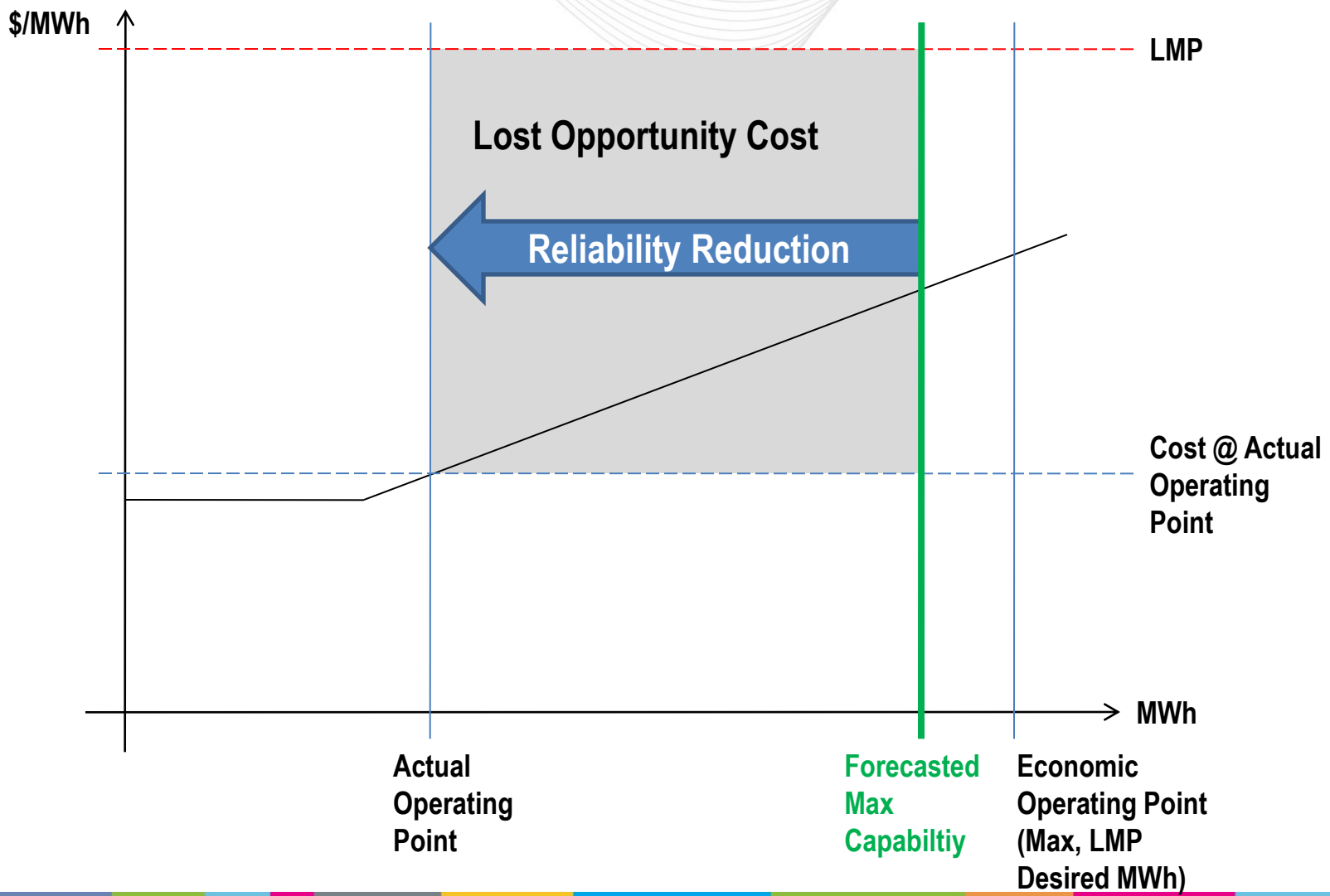
Alex Ma

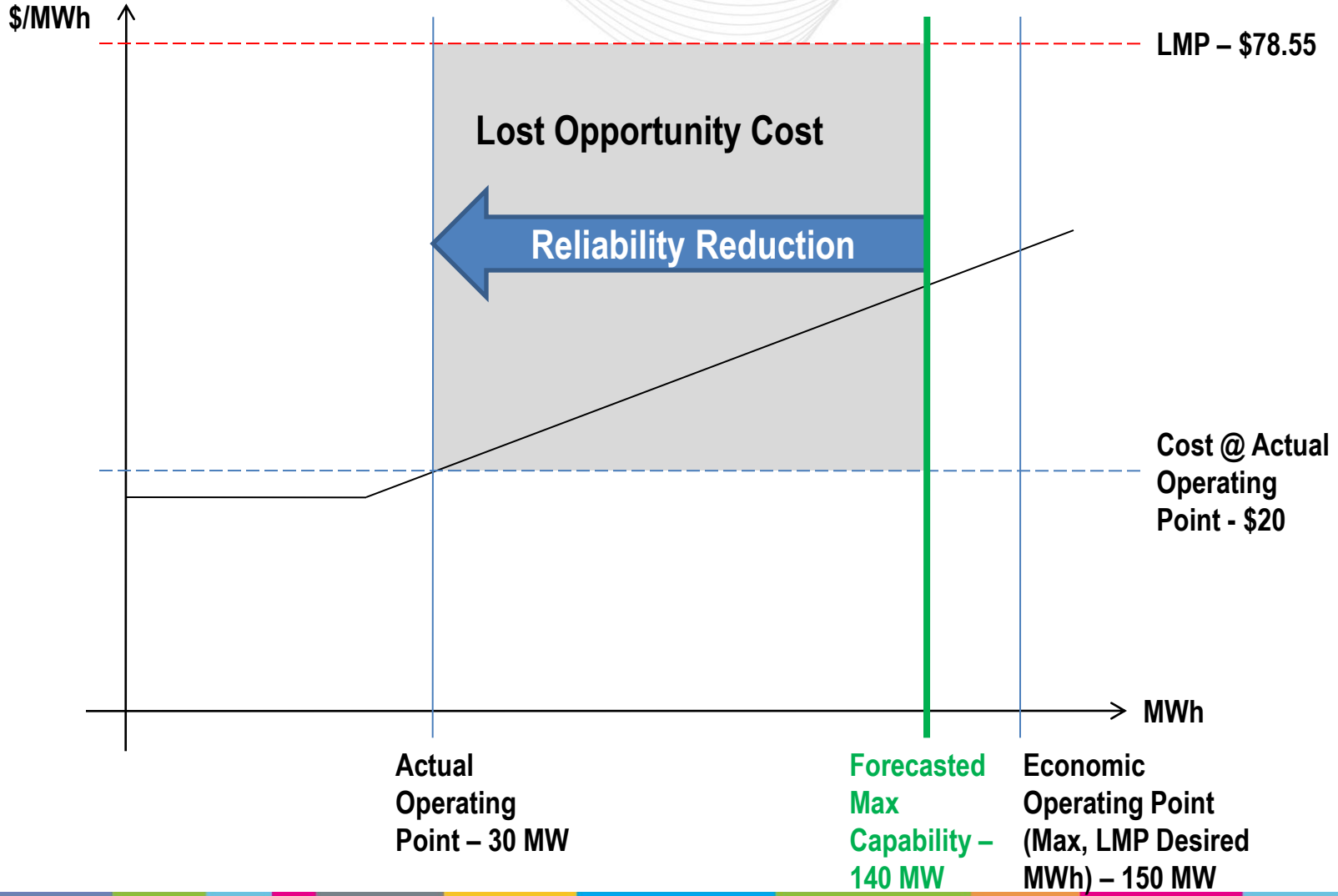
IRTF – February 23, 2011

# pjm<sup>SM</sup> Graphical Representation – Traditional Dispatchable Resource



- The new methodology PJM proposes is analogous to what is done for traditional dispatchable resources
- The calculation will be the same except PJM will use the lesser of the forecasted capability or economic max or desired MW to determine the maximum output of the wind resource
- The forecasted capability will be determined by PJM using its own wind forecasting tool
- The calculation is the difference between the actual operating cost based on the offer curve and the LMP times the reduced MWs





- LOC will use the lesser of the forecasted capability or economic max or desired MW to account for the intermittency of wind
- $\text{LOC (forecasted max)} = (\text{LMP} - \text{Cost @ Actual Operating Point}) * (\text{Forecasted Max} - \text{Actual Operating Point})$
- $\text{LOC (forecasted max)} = (\$78.55 - \$20) * (140 \text{ MW} - 30 \text{ MW}) =$   
**\$6,440.50**