



PROJECT EXPERIENCE

Project Name and Location

Generation Settlements Audit of PJM Network Resources
Borough of Chambersburg, Pennsylvania

Owner

Borough of Chambersburg
100 S. Second Street
P.O. Box 1009
Chambersburg, PA 17201

Description of Services Provided

In January 2004, the Borough's generation assets, Falling Springs (7.2 MW) and Orchard Park (22.4 MW) became classified as PJM Network Resources. As such, each facility is required to participate in PJM's Day-ahead and Real-time markets. Value from these markets is received through Energy, Capacity, Operating Reserve, and Reactive Service compensation mechanisms, each of which is considerably complex in nature. To assure that the Borough receives the appropriate remuneration for its services to the PJM marketplace, each month Downes Associates, Inc. monitors and calculates the anticipated generation settlements value. As a result of this audit process, DAI has identified over \$90,000 in potential lost value from January 2004 – October 2005.

Additionally, DAI is currently in the process of developing the Borough's fixed annual revenue requirement for providing Reactive Service support to the PJM grid. Following the Blackout of August 2003, Reactive Service has come to the forefront as a responsibility of any generator supplying energy to the PJM grid. For such service, PJM has compensation mechanisms in place which allow a facility to recover the fixed cost component of its generation assets attributable to Reactive Service support. A PJM study identified that approximately 3% - 6% of total installed costs are recovered through the filing of a generator's revenue requirements.

Additional Questions?

We are here through every step of the process, including the information gathering stage. In fact, we understand this to be one of the most important aspects of locating a consultant capable of handling your project.

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