

# **PJM Day-Ahead and Balancing Markets Presentation to Kosovo Delegation**

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# Conventions

- Standard usages for day-head and balancing markets discussion:
  - Day ahead = Operating Day – 1; i.e., the day before operations occur
  - Operating Day = the day during which power flows
  - Time: All hours expressed in Eastern Prevailing Time

# Day-Ahead Market

The Day-ahead market is a forward market in which hourly clearing prices are calculated for each hour of the Operating Day based on generation offers, demand bids, Increment offers, Decrement bids and bilateral transaction schedules submitted into the Day-ahead market.

# Market Timeline: Operating Day - 1

1000: Load forecasts submitted to distribution utilities

Up to 1200 noon:

Bids and Offers for energy accepted by PJM for Operating Day

1200 noon:

Day-ahead market is closed for PJM evaluation

# Day-ahead Market Timeline: Operating Day - 1

1200 noon: PJM begins analysis of bids which determines operating day resource commitment; cleared (accepted) bids and the PJM Day-ahead Scheduling Reserve objectives.

PJM's analysis includes external bilateral transaction schedules and external resource offers which provides a complete view of the Day-ahead market profile.

1600: PJM posts the day-ahead hourly schedules and pricing based on the 1200 review

# Real Time Balancing Market

## Balancing Market –

Opens after the close and analysis of the day-ahead market bidding and upon the posting of pricing, scheduling and scheduling reserve objectives.

If a generator capacity or demand resource was available but not selected in the day-ahead market, the day-ahead bids may be altered and submitted into the balancing market from 1600 to 1800 on Operating Day – 1.

# Balancing Market Timeline

1600: Balancing market bidding is opened

1800: Balancing market bidding is closed. PJM does final analysis to update offers, resource availability, load forecast and load forecast deviation

1800 – Operating Day:

PJM will continue to update load forecasts and resource availability. PJM will send out individual generation schedules updates to specific generation owners as required.