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Reserve Margin

Sponsor	Reliability Assessment Subcommittee (RAS)		
Submittal Date	Submitted February 27, 2009		
Proposal Type	New <input type="checkbox"/>	Revision <input checked="" type="checkbox"/>	Metric Analysis <input type="checkbox"/>
Definition	This metric counts the number of assessment areas reporting “marginal” or “inadequate” for NERC’s prior year Summer Reliability Assessment and Winter Reliability Assessment according to the size of the assessment area in MW of peak total internal demand (small <10,000 MW, medium 10,000–25,000 MW, and large >25,000 MW).		
Rating Criteria	<ul style="list-style-type: none"> • Red (actionable): There is at least one inadequate large assessment area. • Yellow (monitor): There is more than one small or medium inadequate assessment area. • White (stable): There is at least one marginal, no inadequate assessments. • Green (good/improving): There are no marginal or inadequate assessments. 		
Purpose	The Planning Reserve Margin determines the amount of committed capacity a given assessment area expects compared to the projected net internal demand. Each assessment area is evaluated annually through the long-term and seasonal assessment processes (21 assessment areas are currently evaluated). More information on assessments can be found at https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL .		
Formula or Type of Statistical Analysis	Reserve Margin (%) = (Resource Capacity – net internal demand)/net internal demand X 100		
Time Horizon	Planning horizon		
Metric Start Time or Baseline	Year 2002		
Data Collection Interval and Roll Up	Data collection is on an annual and seasonal basis		

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Ease of Collection	Data is easily collected and reported on a regional basis					
Aggregation	Could be on an Interconnection, Regional Entity, Assessment Area or BA level.					
Links to NERC Standard	N/A – specified in the Rules of Procedure					
Data Source	Data reported now in LTRA and seasonal assessments					
Data to be Submitted By	Regional Entities					
Revision History	Reviewed February 19, 2025 Reviewed September 8, 2020: Revision to an existing metric previously named ALR1-3. Submitted February 27, 2009					
PAS and NERC Staff Use						
Need for Validation or Pilot	Yes, need to validate completeness and consistency of historical data across each region.					
SMART Rating PAS SMART rating of proposed metric, metric revision, or new metric analysis method	Total Score	Specific/Simple	Measurable	Attainable	Relevant	Tangible/Timely
	13	2	3	3	2	3
Publications and Documentation	Report metric trends and analysis are included in both the seasonal and long-term reliability assessments as well as the State of Reliability Report					