

<b>M-1</b>			
<b>Reserve Margin</b>			
<b>Sponsor</b>	Reliability Assessment Subcommittee (RAS)		
<b>Submittal Date</b>	Reviewed September 8, 2020 Submitted February 27, 2009		
<b>Proposal Type</b>	New <input type="checkbox"/>	Revision <input checked="" type="checkbox"/> Revision to an existing metric previously named ALR1-3.	Metric Analysis <input type="checkbox"/>
<b>Definition</b>	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).		
<b>Rating Criteria</b>	<ul style="list-style-type: none"> <li>• <b>Red (actionable)</b>: There is at least one inadequate large assessment area.</li> <li>• <b>Yellow (monitor)</b>: There is more than one small or medium inadequate assessment area.</li> <li>• <b>White (stable)</b>: There is at least one marginal, no inadequate assessments.</li> <li>• <b>Green (good/improving)</b>: There are no marginal or inadequate assessments.</li> </ul>		
<b>Purpose</b>	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 <a href="https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL">https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL</a> .		
<b>Formula or Type of Statistical Analysis</b>	Reserve Margin (%) = (Resource Capacity – net internal demand)/net internal demand X 100		
<b>Time Horizon</b>	Planning horizon		
<b>Metric Start Time or Baseline</b>	Year 2002		

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