

- PJM runs the IRM Study considering generation resources only (no DR)
- The neighboring systems are modeled as a composite area with generation resources only.
 - The composite area is solved to 1 in 10 (just like PJM).
 - The computed 1 in 10 reserves are then compared to the composite area's actual generation reserves (see chart in next slide).
- The IRM computed by PJM is converted to MW of Unforced Capacity (UCAP). The IRM in UCAP terms is used to create a demand curve in RPM.
 - Generation and DR supply offers in RPM are converted to UCAP.
- Since some DR products have limited availability, PJM imposes caps on the amount of such products that can clear in RPM.
 - These caps are calculated via LOLE analysis

