

IMM FCP Penalty Proposal

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Proposed Penalty – Impact Factor

- 1. Maintain current penalty when unit fails local/aggregate TPS test or offered above \$1,000 per MWh.**
- 2. Increase the current penalty (2X) when unit clears DA or runs RT on cost-based offer with error and:**
 - Sets the LMP (marginal) or**
 - Receives make whole payments or**
 - Offered above \$1,000/MWh.**
- Decrease the current penalty (0.1X) when these two conditions do not apply.**



Proposed Penalty – Self Identified Factor

- **If neither of the impact conditions apply, 50% discount from penalty.**
- **If one or both of the impact conditions apply, 25% discount from penalty.**



Possible Outcomes

Penalty Condition	IMM/PJM Identified	Self Identified
1. (Unit Cleared DA or Ran RT) and (Was Marginal or Received Make Whole Payment or Offered above \$1,000/MWh)	200%	150%
2. Unit Failed Local TPS Test or Aggregate TPS Test or Offered above \$1,000/MWh	100%	75%
3. If 1 and 2 do not apply	10%	5%

- **Percent of current penalty.**

Example

- **Unit Output = 500 MW.**
- **Average RT LMP = \$40/MWh.**
- **Current penalty would be \$24,000.**

Penalty Condition	IMM/PJM Identified	Self Identified
1. (Unit Cleared DA or Ran RT) and (Was Marginal or Received Make Whole Payment or Offered above \$1,000/MWh)	\$48,000	\$36,000
2. Unit Failed Local TPS Test or Aggregate TPS Test or Offered above \$1,000/MWh	\$24,000	\$18,000
3. If 1 and 2 do not apply	\$2,400	\$1,200

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