

MIC Special Session - OCC

RPM Exceptions and Replacement Resources

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Agenda



- RPM Must offer Exceptions
- Commercial Aggregation
- Seasonal CP Sell Offers
- Retroactive Replacement Transactions

Objectives

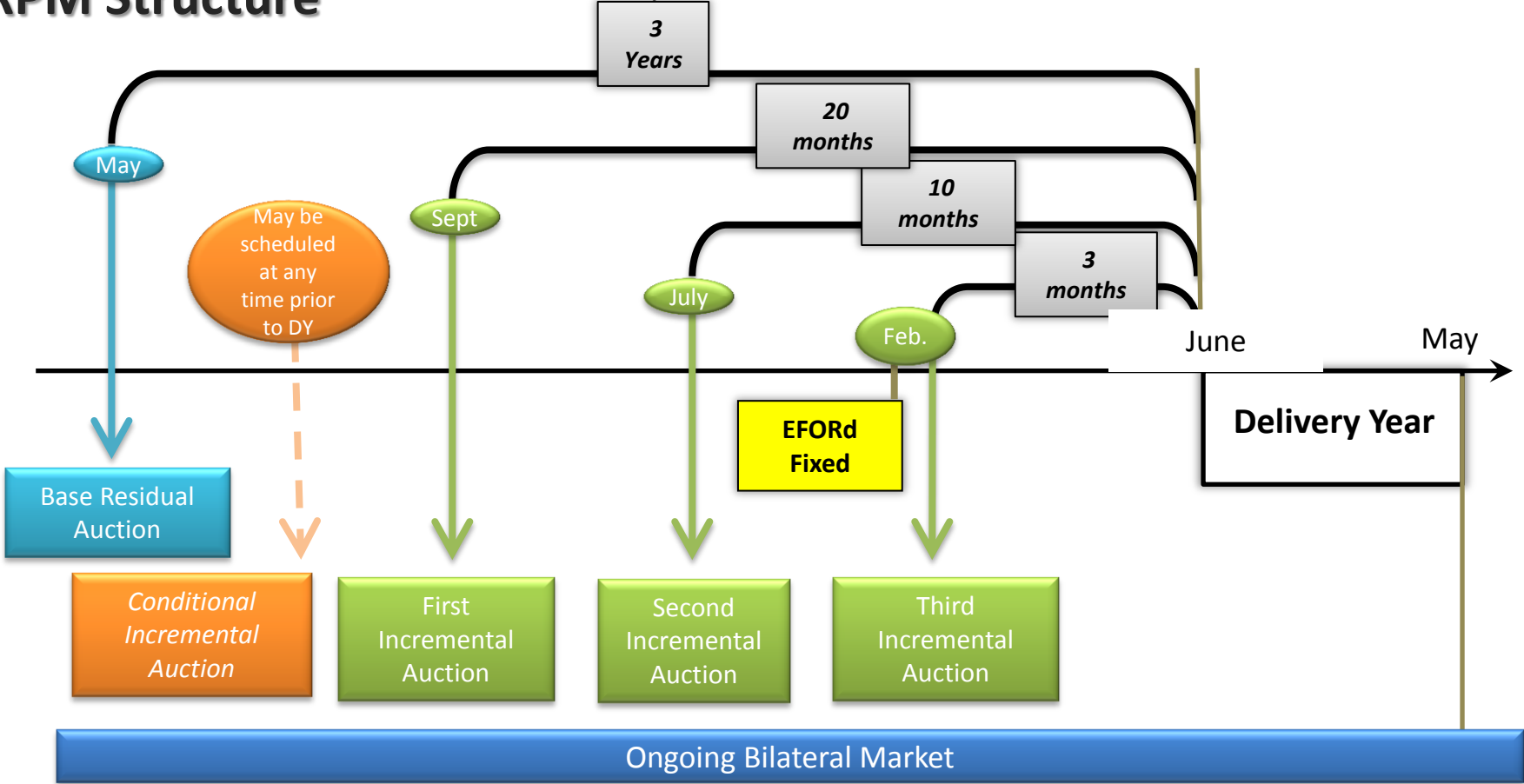


At the conclusion of this training you will be able to....

- Explain the process to obtain a must-offer exception
- Describe a commercial aggregate resource
- Describe the method to participate as a seasonal CP resource
- Describe the creation of a retroactive replacement transaction

Auction Structure and Key Activities

RPM Structure



Auction Schedule

- RPM Auction schedule posted at <http://www.pjm.com/~media/markets-ops/rpm/rpm-auction-info/rpm-auction-schedule.ashx>
 - Details major activities and deadlines for upcoming auctions
- Major Activities also listed in PJM Manual 18 Section 5.2
- Supplemental auction reminders emailed to participants

RPM Auction Schedule

**All Auctions will open at 12:01 AM EPT

**All Auctions will close at 5:00 PM EPT

**All Results will be posted no earlier than 4:00 PM EPT

The provisions of the OATT shall govern in the event of any conflict between this timeline and provisions of the Tariff.

Delivery Year	Auction	Activity Type	Activity	Date	Responsible Party
2021/2022	BRA	Must Offer	Last day for Capacity Market Sellers to request preliminary must-offer exception for the reason specified under OATT Attachment M-Appendix § II.C.4.A	9/1/2017	Generator
2021/2022	BRA	Must Offer	Last day for Capacity Market Sellers to request must-offer exception for the reason specified under OATT Attachment M-Appendix § II.C.4.A	12/1/2017	Generator
2021/2022	BRA	Demand Resource	PJM posts the Zones and sub-Zones, if any, for which end-use customer site-specific information shall be required for DR sell offers under the conditions specified in RAA Schedule 6 subsection A-1(1)(c)(iv).	12/1/2017	PJM
2021/2022	BRA	MOPR	PJM posts preliminary MOPR screen prices	12/11/2017	PJM
2021/2022	BRA	MOPR	Last day for Capacity Market Sellers to submit Unit Specific MOPR exemption request	1/10/2018	Generator
2021/2022	BRA	PRD	Post Zonal Scaling Factors for use in PRD Plan	1/5/2018	PJM
2021/2022	BRA	Sell Offer Caps	Last day for Capacity Market Sellers to submit sell offer cap data	1/10/2018	Generator
2021/2022	BRA	EFORd	Last day for Capacity Market Sellers to submit request for alternate max EFORd	1/10/2018	Generator
2021/2022	BRA	Must Offer	Last day for Capacity Market Sellers to request must-offer exception for any reason other than the reason specified under OATT Attachment M-Appendix § II.C.4.A	1/10/2018	Generator
2021/2022	BRA	Must Offer	Last day for Capacity Market Sellers to request exception from requirement to offer as a Capacity Performance resource	1/10/2018	Generator
2021/2022	BRA	PRD	Last day to submit PRD Plan for BRA	1/15/2018	PRD Provider
2021/2022	BRA	FRR	Last day for first time election of FRR Alternative starting with DY due	1/14/2018	FRR Entity
2021/2022	BRA	Planning Parameters	Post Planning Parameters	2/1/2018	PJM
2021/2022	BRA	Sell Offer Caps	IMM provides participant with determination of offer cap	2/9/2018	IMM
2021/2022	BRA	EFORd	IMM provides participant with determination on alternate max EFORd request	2/9/2018	IMM
2021/2022	BRA	Must Offer	IMM provides participant with determination on must offer exception	2/9/2018	IMM
2021/2022	BRA	ICTR/QTU	Last day for ICTR/QTU Owners to Provide Notification of Intent to Offer	2/14/2018	QTU Provider
2021/2022	BRA	Sell Offer Caps	Last day for Capacity Market Sellers to notify PJM/IMM of agreement with IMM determination of offer cap	2/19/2018	Generator
2021/2022	BRA	EFORd	Last day for Capacity Market Sellers to notify PJM/IMM of agreement with IMM determination of alternate max EFORd	2/19/2018	Generator
2021/2022	BRA	Must Offer	Last day for Capacity Market Sellers to notify PJM/IMM of agreement with IMM determination on must offer exception	2/19/2018	Generator
2021/2022	BRA	Planned Generation	Last day for Planned Generation Owners to Provide Notification of Intent to Offer	2/19/2018	Generator
2021/2022	BRA	MOPR	PJM notifies participant with determination on proposed MOPR exemption request	3/6/2018	PJM
2021/2022	BRA	Sell Offer Caps	PJM notifies participant/IMM of determination on proposed offer cap	3/6/2018	PJM
2021/2022	BRA	EFORd	PJM notifies participant/IMM of determination on alternate max EFORd	3/6/2018	PJM
2021/2022	BRA	Must Offer	PJM notifies participant/IMM of its determination on must offer exception	3/6/2018	PJM
2021/2022	BRA	Must Offer	Last day for Capacity Market Sellers to notify PJM/IMM whether it intends to exclude from its Sell Offer some or all capacity from its generation resource on the basis of an identified exception to the RPM Must Offer Obligation	3/6/2018	Generator
2021/2022	BRA	FRR	Last day for Initial/Updated EE M&V Plan for FRR Capacity Plan	3/11/2018	FRR Entity
2021/2022	BRA	FRR	Last day for election of FRR Alternative starting with DY due	3/11/2018	FRR Entity
2021/2022	BRA	Demand Resource	Last day for DR Pre-registration Required for FRR Capacity Plan	3/21/2018	FRR Entity

Must-Offer Exception Requests

Must Offer Exceptions - Overview

- Must-Offer Exception Requests

- Requests are sent to PJM and Market Monitor
- Auction specific
- Reasons
 - Documented pending retirement
 - Significant physical operational restrictions (long-term or permanent)
 - Ongoing regulatory proceeding (e.g. environmental restrictions)
 - Cleared prior auction/ delayed commercial operation date

Reference: OATT Attachment DD Section 6.6

Must Offer Exceptions - Timeline

- Must-Offer Exception Requests

Activity	Deadline
Preliminary must-offer exception for reason of deactivation	SEPT01 prior to BRA, 240 days prior to IA
Final must-offer exception for reason of deactivation	DEC01 prior to BRA, 120 Days prior to IA
Must-offer exception for other than deactivation	120 days prior to auction
IMM provides determination on must offer exception	90 days prior to auction
Capacity Market Sellers notify PJM/IMM of agreement with IMM determination on must offer exception	80 days prior to auction
PJM provides determination on must offer exception	65 days prior to auction
Capacity Market Seller notifies PJM/IMM of intent to exercise approved exception	65 days prior to auction

Commercial Aggregation

Aggregate Resource – Commercial Aggregation

- Capacity Resources which may not, alone, meet the requirements of a Capacity Performance product, may combine their capabilities and offer as a single Aggregate Resource
 - Applies to Intermittent Resources, Capacity Storage Resources, Demand Resources, Energy Efficiency Resources, and Environmentally-Limited resources
- Resources being combined must reside in a single Capacity Market Seller account

Aggregate Resource – Performance Netting

- Performance of an Aggregate Resource for a given PAI is based on the net of the performance of the individual underlying resources that were required to perform during the PAI (i.e. the resources located in the PAI area)
- Non-Performance Assessment Charges/Credits are assessed to the Aggregate Resource – not to the individual resources

Facilitated Aggregation

Seasonal Capacity Performance Resources (Effective 2020/2021 Delivery Year)

Summer-Period CP Resources

- Summer Period DR
- Summer Period EE
- Capacity Storage Resource
- Intermittent Resource
- Environmentally-Limited Resource

- Available June-October & May of DY (summer-period)
- If clear, Auction Credit & commitment for summer-period only

Winter-Period CP Resources

- Capacity Storage Resource
 - Intermittent Resource*
 - Environmentally-Limited Resource*
- * May request additional CIRs for winter-period for DY and offer additional ICAP value in winter-period

- Available November-April (winter-period)
- If clear, Auction Credit & commitment for winter-period only

Seasonal CP Sell Offer Structure

- Intermittent Resources, Capacity Storage Resources and Environmentally-Limited Resources may submit a sell offer for CP capacity (i.e. annual capability) and/or a separate sell offer for either summer-period capacity or winter-period capacity
 - Total sell offer quantity for each season may not exceed the lower of the resource’s UCAP Value or the resource’s “seasonal” CIR value
 - NOT A COUPLED OFFER
 - Annual and CP Seasonal Offer segments are cleared independently

Retroactive Replacement Transactions

Following a Performance Assessment Event

Retroactive Replacement Transactions

- Must be entered within 3 business days following Performance Assessment Event
- Replacement resource must have already been in the same subaccount as the resource being replaced on the Delivery Day
- Replacement resource must have been included in the same Performance Assessment Intervals as the resource being replaced
- Replacement resource must have the same or better temporal availability characteristics as the resource being replaced

Reference PJM Manual 18 Section 8.9

Retroactive Replacement Transactions

- Replacement resource must be located in the same LDA (or a more constrained child LDA) as the resource being replaced
- Resulting total Daily Resource Commitments (RPM and FRR) (in UCAP terms) on a generation resource used as a replacement resource cannot exceed such replacement resource's Actual Performance during the Performance Assessment Intervals.

Reference PJM Manual 18 Section 8.9

Contact Information:

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The Member Community is PJM's self-service portal for members to search for answers to their questions or to track and/or open cases with Client Management & Services