FCP Reform Penalty Example: BETM/CPV

◆ Assumptions:

  ✓ *Unit Hourly Output = 500 MW*

  ✓ *Average RT LMP = $40/MWh*

  ✓ *Assume d = 1*

  ✓ *Currently Penalty = $24,000*

  ✓ *Assume Unit's __Accurate__ Cost Based Offer equates to $35/MWh around-the-clock*

  ✓ *Assume Ah = 10 (meaning CBO inaccurate and failed TPS test for 10 hours in the day)*

  ✓ *Assume Ch = 10*

◆ *Condition 1 unclear, TPS test a clear evaluation method, further CBOs over $1,000/MWh are already approved by PJM on an individual basis*

Penalty Condition	IMM/PJM Identified	Self Identified
1. Unit, (i) Cleared DA or (ii) Ran RT, and was (i) Marginal or (ii) Received Make Whole Payment or (iii) Offered above $1,000/MWh)	$0	$0
2. Unit Failed Local TPS Test or Aggregate TPS Test or Offered above $1,000 MWh	$10,000	$1,000
3. If 1 and 2 do not apply	$0	$0