

FCP Joint Stakeholder Proposal

November 13, 2019

FCP Joint Stakeholder Proposal

- ▶ Primarily the status quo or the same as the IMM package
- ▶ Eliminates the need for FCP for zero cost offers
- ▶ Eliminates the annual review
 - ▶ Allows for PJM or the IMM to seek new FCP due to change in circumstances
- ▶ A change in Market Seller requires a need to reaffirm a FCP
 - ▶ Other changes, such as agents, don't need any FCP adjustment
- ▶ Self-identified errors reduce penalty to 25% of the calculated penalty
- ▶ Safe-harbor for unusual situations not contemplated by FCP
- ▶ Temporary FCPs based on heat rate and gas pricing point

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- ▶ Penalty based on IMM's proposal, full penalty (impact factor of 1) if:
 - ▶ Unit clears DA or runs RT on cost-based offers AND is either
 - ▶ Paid DA/Balancing operating reserves or
 - ▶ Cost offer is above \$1,000/MWh
 - ▶ Or, unit fails TPS test for constraints
 - ▶ Or, cost offer is above \$1,000/MWh
- ▶ 10% of full penalty if the above don't apply - to reflect lack of impact
- ▶ Penalty applies during hours in which offer was incorrect
- ▶ Penalty calculation is performed hourly

Please send questions for the joint stakeholders to
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