

| Effective Date | April 1, 2015 |
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| Impacted Manual #(s)/Manual Title(s): | |
| Manual 18: PJM Capacity Market Section 4.8 Credit Requirements | |
| Conforming Order(s): | |
| Docket No. ER15-623-004 | |
| | |
| Associated Issue Tracking Title: | Capacity Performance |
| Committee Approval Path - What committee(s) have already seen these changes? | |
| Versions of these revisions were presented at the June 25, 2015 Markets and Reliability Committee. | |
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| MRC 1st read date: | July 15, 2015 |
| MRC voting date: | July 15, 2015 |
| Impacted Manual sections: | |
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4.8 Credit Requirements with a new subsection created 4.8.6 Credit Milestones for Planned Generation Capacity Resources

Reason for change:

This revision to the credit requirements for planned capacity performance resources was developed to better align the credit requirements with the increased cost exposure of non-performance for those resources. This revision also incorporates a proposal to allow for increased opportunities for planned and planned "financed" generation capacity performance resources to reduce the credit requirement, as certified by an independent engineer.

Summary of the changes:

This revision increases the credit requirement for planned capacity performance resources. Existing resources will continue to have no credit requirement.

Prior to the BRA the credit requirement is:

Current Rules and credit requirements for planned non-CP resources: Credit requirement is 30% of the RTO Net CONE or \$20/MW-day whichever is higher

Updated Rules for planned CP resources: Credit requirement is 50% of the applicable LDA Net CONE or \$20/MW-day whichever is higher.

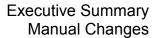
After auction the credit requirement is:

Current Rules and credit requirements for planned non-CP resources: Credit requirement is 20% of the LDA Clearing Price or \$20/MW-day whichever is higher

Updated Rules for planned CP resources: Credit requirement is 20% of the LDA Clearing Price or \$20/MW-day or (lesser of 50% of Net CONE by LDA or 150% of Net Cone minus LDA Clearing Price) whichever is higher

Revisions for Project Status:

Currently Planned resources get a 50% reduction in credit requirement for a signed ISA and have no requirement





once in service. The proposed manual language defines different milestones and incremental reductions in credit and this revision also defines a new type of resource called a "financed resource" which has an effective ISA and is fully financed prior to the 2015 BRA.