

Energy Offer Verification Manual 11 Revisions Review



Rami Dirani
Senior Economist, Market Analysis
Market Implementation Committee
October 11, 2017

FERC
Initiates
Order 831
**November
2016**

Manual 11 –
First Read
**September
2017**

Implementation
Effective
*Pending FERC
Approval
November 2017

PJM Submits
Order 831
Compliance
Filing
May 2017

Manual 11 –
Vote
**October
2017**

When	Readiness Activity
September 27 (Completed)	Additional Member Education Sessions <ul style="list-style-type: none">• Covered process of offer verification
October 5 (Completed)	Offer Verification Exercise with Market Sellers
Ongoing/Updates	Monthly Tech Change Forum, Market Implementation Committee



Manual 11 Revision Approval Path

Manual revisions are needed to document and implement the business rules as filed for FERC Order 831.

	MIC	MRC
September 13	First Read	
September 28		First Read
October 11	Vote	
October 26		Vote

- **Section 2.3.2: Market Buyer Rules**
 - Rules intended to clarify the allowable energy offer range for virtual transactions
 - Energy market transactions, except generation resource offers, may be submitted with an energy bid/offer price of no greater than \$2,000/MWh., ~~plus the sum of the applicable Primary and Synchronized Reserve Penalty Factors not to exceed \$3,7000/MWh.~~

- **Section 2.3.3: Energy Market Business Rules**
 - Rules intended to clarify the allowable cost-based incremental energy offer range
 - May exceed \$1,000/MWh, but may not exceed \$2,000/MWh for the purpose of dispatch and setting LMP
 - Rules regarding “Switch to Cost Schedule” flag
 - Price based offers will be capped at \$1,000/MWh in Markets Gateway
 - Market Seller wishing to have its resource dispatched on an offer above \$1,000/MWh must select Switch to Cost Schedule

- **Section 2.3.3: Energy Market Business Rules**
 - Rules regarding the activity of a Curtailment Service Providers (CSP)
 - Curtailment Service Providers may only submit an energy offer greater than \$1,000/MWh for an Economic, Pre-Emergency or Emergency demand response resource if the Curtailment Service Provider has validated that the end use customer's incremental cost for each offer is greater than \$1,000/MWh pursuant to the Demand Response Resource Validation Process.

- **New Section 2.3.6.2: Resource Offer Verification Rules**
 - Clarifying the process and rules of energy offer verification for resource offer submission in Day-Ahead and Real-Time Market to be eligible to set LMP
 - Generation Resource Offer Screening Process
 - Generation Resource Exception Process
 - Demand Response Resource Validation Process

- Attachment D: Verification of Cost Offers greater than ~~\$2,000/MWh~~ \$1,000/MWh
 - Outlines conditions to which resources that are requested to operate by PJM can be made whole
 - Applies to:
 - Cost-based offers greater than \$1,000 and less than \$2,000/MWh, which were not verified to set LMP
 - Cost-based offers greater than \$2,000/MWh