

## RPM Base Residual Auction FAQs

### 1. What is the purpose of an RPM Base Residual Auction?

The Base Residual Auction (BRA) is conducted to allow for the procurement of resource commitments to satisfy the PJM region's unforced capacity obligation for the Delivery Year and allocates the cost of those commitments to Load Serving Entities (LSEs) through a Locational Reliability Charge.

### 2. How can I confirm when an RPM Base Residual Auction is being held?

An RPM Base Residual Auction for a Delivery Year is held during the month of May, three years prior to the actual Delivery Year. You can confirm that an RPM Base Residual Auction is being held by viewing the RPM Schedule posted on the RPM Auction User Information web page. The schedule for all RPM Auctions is posted on the RPM Auction User Information web page under the link titled "RPM Schedule".

<http://www.pjm.com/markets-and-operations/rpm/rpm-auction-user-info.aspx>

### 3. What time does the auction bidding window open on the first day of the auction?

The RPM Auction bidding window opens at 12:01 AM EPT on the first day of the auction bidding window.

### 4. What times does the auction bidding window close on the last day of the auction?

The RPM Auction bidding window closes at 5:00 PM EPT on the last day of the auction bidding window.

### 5. When will the auction results be posted?

The RPM Auction results will not be posted until after 4:00 PM EPT on the last day of the auction clearing week.

### 6. May I submit a buy bid in an RPM Base Residual Auction?

Market Participants are not permitted to submit buy bids in RPM Base Residual Auctions. Variable Resource Requirement Curve(s) are posted in advance of the RPM BRA and used as the demand curve(s) in the BRA auction clearing process. The Variable Resource Requirement Curve(s) are posted under the Delivery Year's "Planning Year Parameters" link on the RPM Auction User Information Web Page.

### 7. What are the must offer requirements for resources in an RPM Base Residual Auction?

All existing generation resources physically located in the PJM Region have a must offer requirement of at least their Minimum Available ICAP position. Resources with a Minimum Available ICAP position that is zero are not required to offer into the RPM Base Residual Auction.

FRR Entities are eligible to offer their available capacity into the RPM Base Residual Auction subject to conditions placed on sales by FRR Entities; however, the must offer requirement does not apply to these entities. Details on the Conditions on Sales by FRR Entities are available in Schedule 8.1 E. of the Reliability Assurance Agreement and Section 11.7 of PJM Capacity Market Manual, Manual 18.

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There is no must offer requirement for demand resources, energy efficiency resources, or external generation resources.

**8. Does the action of submitting a Planned Demand Resource documentation or an Energy Efficiency Measurement & Verification Plan to PJM commit us to offering the Demand Resource or Energy Efficiency Resource into the Base Residual Auction?**

There is no must offer requirement for Demand Resources or Energy Efficiency Resources. The submittal of Planned Demand Resource documentation or an Energy Efficiency Measurement & Verification Plan does not obligate a Resource Provider to offer the Planned Demand Resource or Energy Efficiency Resource into the Base Residual Auction.

**9. Do the actions of requesting PJM to model a Demand Resource/Energy Efficiency Resource or submitting a DR Modification/EE Modification transaction in the eRPM system obligate a Resource Provider to offer into a Base Residual Auction?**

There is no must offer requirement for Demand Resources or Energy Efficiency Resources. The modeling of a Demand Resource/Energy Efficiency Resource or the submittal of a DR Modification/EE Modification transaction in eRPM does not obligate a Resource Provider to offer the Planned Demand Resource or Energy Efficiency Resource into the Base Residual Auction.

**10. PJM informed me that my DR/EE Resource has been modeled in the eRPM system, why is the DR/EE Resource not appearing in the drop down list box for “Resource” on DR/EE Modification Transaction screen?**

If PJM has modeled your DR/EE Resource as effective for the Delivery Year of the RPM Auction, it will appear in the drop down list box for “Resource” on the DR/EE Modification Transaction screen. Please ensure that the Start Date of the DR/EE Modification Transaction is June 1 of the actual Delivery Year of the RPM Auction.

**11. What Nominated DR Value/Nominated EE Value should I submit in my DR Modification/EE Modification transactions prior to the Base Residual Auction?**

The Nominated DR Value/Nominated EE Value should represent the amount of demand reduction (i.e., ICAP value) the Resource Provider plans to offer for such Demand Resource/Energy Efficiency Resource in the Base Residual Auction.

PJM will verify that the Nominated DR Value submitted in a DR Modification for an Existing DR Resource does not exceed the Nominated DR Value that was approved by PJM through the pre-registration process. Details regarding the pre-registration process are available at <http://www.pjm.com/training/~media/training/core-curriculum/ip-dsr/existing-resource-pre-registration-for-13-14-bra.ashx>.

PJM will verify that the Nominated DR Value submitted in a DR Modification for a Planned DR Resource does not exceed the Nominated DR Value that was approved through PJM’s review of the Resource Provider’s planned DR documentation. Requirements for planned DR documentation are available at <http://www.pjm.com/markets-and-operations/rpm/~media/markets-ops/rpm/rpm-auction-info/planned-demand-resource-rpm-auction-participation-information.ashx>.

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PJM will verify that the Nominated EE Value submitted in an EE Modification for an EE Resource does not exceed the Nominated EE Value that was approved through PJM's review of the EE Resource Provider's EE Measurement & Verification Plan. Requirements for EE Measurement & Verification Plans are available in PJM Manual 18B, <http://www.pjm.com/~media/documents/manuals/m18b.ashx>.

### 12. How much available capacity from a generation resource must I offer in an RPM Base Residual Auction?

The eRPM system will calculate Minimum Available ICAP, Maximum Available ICAP, and Current Available ICAP positions for a generation resource on the Resource Offer Screen. For the Base Residual Auction, the Minimum Available ICAP, Maximum Available ICAP, and Current Available ICAP positions for a generation resource will be equal. If you have a positive Minimum/Maximum/Current Available ICAP position, you will be expected to offer at least the Minimum/Maximum/Current Available ICAP MWs into the Base Residual Auction. The sum of the Max MW values in each of the ten offer segments cannot exceed the Minimum/Maximum/Current Available ICAP MWs. If you have a zero Minimum/Maximum/Current Available ICAP MW value for a resource, you will not be able to offer MWs from such resource into the RPM Base Residual Auction.

See the example screen shot below:

The screenshot shows a web interface for a generator. On the left, there are input fields for 'EFORd:' (with a 'Delete' button), 'EFORd Limit:' (set to 'null'), and 'New Unit Pricing:' (with a checkbox). In the center, there are two summary tables:

EFORd Segment	
Min MW	(null)
Max MW	(null)
Price	(null)

  

Available ICAP MW	
Current	13
Max	13
Min	13

On the right, there is a table with three columns labeled '1', '2', and '3'. The rows are:

	1	2	3
Min MW	(null)	(null)	(null)
Max MW	(null)	(null)	(null)
Price	(null)	(null)	(null)
Scheduling Option	(null)	(null)	(null)

### 13. How do you submit a Resource Offer in the eRPM system?

For instructions on how to submit a Resource Offer in the eRPM system, please see Task 2: Enter Resource Offers in the Auctions section of the eRPM Users Guide posted on the eTools eRPM web page at <http://www.pjm.com/markets-and-operations/etools/~media/markets-ops/rpm/erpm-user-guide.ashx>.

### 14. How is the Minimum Available ICAP, Maximum Available ICAP, and Current Available ICAP position calculated for the Base Residual Auction?

The Minimum Available ICAP, Maximum Available ICAP, and Current Available ICAP position for the Base Residual Auction for a specific unit is equal to the minimum of a party's (Daily ICAP Owned – Daily FRR ICAP Commitments) for such unit for the Delivery Year.

Minimum/Maximum/Current Avail ICAP Position = Min (Daily ICAP Owned – Daily FRR ICAP Commitment) in the Delivery Year

### 15. What EFORd value may I submit in a Base Residual Auction generation resource offer?

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The EFORd value that may be submitted in a generation resource offer in a Base Residual Auction may range from zero to the maximum EFORd value for a generation resource. The maximum EFORd that may be submitted in a generation resource offer in a Base Residual Auction is the maximum of the BRA EFORd<sub>1 yr</sub> or BRA EFORd<sub>5 yr</sub>.

BRA EFORd<sub>1 yr</sub> = EFORd<sub>1 yr</sub> as known at time of the Base Residual Auction (BRA) based on outage data for 12 months ending Sept. 30<sup>th</sup> prior to the BRA.

BRA EFORd<sub>5 yr</sub> = EFORd<sub>5 yr</sub> as known at time of BRA based on outage data for 5 yrs ending Sept. 30<sup>th</sup> prior to the BRA.

*Resource owners must receive permission from the Market Monitor in order to enter a sell offer EFORd that exceeds the BRA EFORd<sub>1 yr</sub> or BRA EFORd<sub>5 yr</sub>.*

You may view the BRA EFORd<sub>1 yr</sub> or BRA EFORd<sub>5 yr</sub> that is applicable for your generation resources for the 2013/2014 Base Residual Auction through the Resource Detail screen in the eRPM system. Please ensure that the date on the Resource Detail screen is populated with 06/01/2013. For further instructions on how to view the resource position detail for generation resources in the eRPM system, please see Task 2: View Resource Position Detail: Generation Resources in the Resource Position Overview section in the eRPM User Guide posted on the eTools eRPM web page at <http://www.pjm.com/markets-and-operations/etools/~media/markets-ops/rpm/erpm-user-guide.ashx>.

### 16. Does the EFORd Offer Segment apply for a Base Residual Auction?

Effective with the March 26, 2009 FERC Order on RPM, the EFORd Offer Segment has been eliminated. The EFORd Segment box will still be viewable on the Resource Offer screen in the eRPM. If the data in the Min MW, Max MW or Price field in the EFORd Segment box are not "Null" or zero, you will receive an error message upon submittal of your generation resource offer.

### 17. What default Avoidable Cost Rate (ACR) values are applicable for the Base Residual Auction?

The default ACR values are the Avoidable Cost Rate values that suppliers may elect to use in the event the Market Structure Test is failed and the supplier chooses not to calculate unit-specific ACR data.

The default ACR values for the 13/14 Delivery Year are posted on the RPM Auction User Information web page at <http://www.pjm.com/markets-and-operations/rpm/~media/markets-ops/rpm/rpm-auction-info/default-acr-values-2013-2014-dy.ashx>.

### 18. Why am I receiving the following error message when I try to submit my resource offer in the Base Residual Auction, "Failed to submit : Offers may not be submitted until all resource information is confirmed for Delivery Year 2013/2014 Auction BASE"?

Prior to any RPM Auction, RPM suppliers must confirm the modeling of each of their capacity resources in the eRPM system. RPM suppliers must verify the following characteristics for generation, DR, or EE resources for which they have a positive Available ICAP position for the RPM Auction: Zone Assignment and LDA Assignment. For generation resources, RPM suppliers must also verify Unit Location by State, Unit Type, and Unit Fuel Type.

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For instructions on how to confirm the modeling of your capacity resources, please refer to Task 1: Resource Confirmation in the Auctions section of the eRPM User Guide posted on the eTools eRPM web page at <http://www.pjm.com/markets-and-operations/etools/~media/markets-ops/rpm/erpm-user-guide.ashx>.

### **19. How can I confirm that my Sell Offer has been successfully submitted in the eRPM system?**

If you click the “Refresh” button on the Auction/ Resource Offer or Auction/ Capacity Bid screens in the eRPM system and the offer/bid data that you entered is displaying in the offer segments/bid segments, your offer/bid has been successfully submitted in the eRPM system.

You may also download this information by clicking “Download CSV” or “Download XML” on the same pages in the eRPM system.

### **20. Can I submit transactions in the eRPM system during a Base Residual Auction?**

Participants will not be able to submit Capacity Modifications, DR Modifications, EE Modifications, Unit-specific transactions, Cleared Buy Bid transactions, or Locational UCAP Transfers during the bidding window or clearing week of the Base Residual Auction.

Participants may submit Replacement Capacity transactions for the current Delivery Year during a future Delivery Year’s Base Residual Auction.

Capacity Modification, DR Modification, and EE Modification transactions which impact the available capacity of a resource for such Base Residual Auction must be submitted in the eRPM system in advance of the bidding window of the Base Residual Auction. Capacity Modification, DR Modification, and EE Modification transactions need to be in a “Provisionally Approved” or “Approved” status in order to offer the associated capacity from such resource into the Base Residual Auction.