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## **PJM PROPOSES CHANGES FOR SEASONAL RESOURCES' PARTICIPATION IN ANNUAL CAPACITY AUCTION**

(Valley Forge, Pa. – Nov. 17, 2016) – PJM Interconnection filed for approval from the Federal Energy Regulatory Commission of improvements to increase opportunities for seasonal resources to participate in the capacity auctions. The proposal enhances aggregation rules for seasonal resources to satisfy Capacity Performance requirements, such as year-round availability.

“This proposal maintains the certainty needed for capacity market participants while significantly enhancing seasonal capacity resources’ ability to participate as capacity performance resources,” said Andrew L. Ott, PJM president and CEO.

PJM’s proposal allows the capacity auction process to match winter-only resources with summer-only resources, removing counterparty arrangement barriers. The proposal also allows aggregation of resources across the grid’s footprint, removing geographic restrictions.

Under the PJM capacity performance structure, all resources – including demand response and renewable resources – must be available whenever needed to ensure reliability. Aggregation provides an opportunity for resources with greater availability in different times of the year to be paired to create an annual resource. While this ability has been in place since the implementation of capacity performance, few aggregated offers were submitted in recent auctions.

With FERC approval, the changes would be in effect for the May 2017 auction for the 2020-2021 delivery year.

Additionally, the proposal enhances the measurement and verification rules for demand response resources, better reflecting their actual capabilities.

*PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 61 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region’s transmission grid, which includes 72,075 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at [www.pjm.com](http://www.pjm.com).*

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