

# View Point – PJM Filing: Capacity Performance Seasonal Resources

As of the May 2017 capacity auction for the 2020/2021 delivery year, all PJM capacity resources must meet the Capacity Performance requirement of year-round availability. Capacity Performance rules permit non-annual resources to combine their capabilities and offer into the auction as a single, aggregated Capacity Performance resource. Aggregation provides an opportunity for renewable resources and demand response resources to build on each resource's capabilities so as to enhance the capacity value of each resource. A PJM task force was formed to explore changes to improve opportunities for seasonal resources to participate in the capacity market as Capacity Performance resources. However, no solution emerged with majority support from stakeholders.

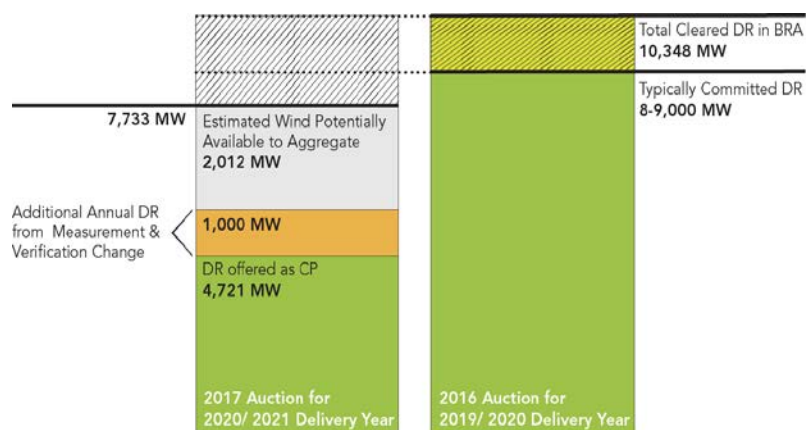
## Did you know?

- Capacity Performance establishes a singularly-defined product for year-round capacity, enhancing reliability through high performance standards and valuing that reliability.
- Seasonal resources include intermittent resources, capacity storage resources, environmentally-limited resources, and seasonally-limited demand response and energy efficiency resources.

PJM will be taking additional steps, through a filing with the Federal Energy Regulatory Commission, to further enhance opportunities for aggregation of renewable and demand response resources.

## Major Features of PJM's Filing

- **Aggregation Pairing:** PJM's auction process will clear equal and offsetting quantities of offered summer-only resources with offered winter-only resources – reducing the need for bilaterally brokered arrangements.
- **Geographic Constraint Removal:** Demand response and renewable resources will be permitted to aggregate over a much larger area – enabling aggregation across the PJM footprint.
- **Winter Capacity Ratings:** Seasonal resources, such as wind, with PJM-approved higher winter capacity values may offer this increased rating into the auction – increasing aggregation megawatts.
- **Measurement & Verification Modifications:** Aligning winter measurement and verification processes for demand response with the existing summer processes reduces risk of being short on performance during the non-summer period.



## Benefits of Filing

PJM's filing improves the opportunities for seasonal resources to participate in the capacity auction by offering added aggregation flexibility to reflect a year-round availability profile. This filing moves toward a more reliable system of full Capacity Performance implementation by striking a balance between the strong reliability definition established by Capacity Performance while also reflecting the value seasonal resources play in resource adequacy.

## Next Steps

PJM plans to file its proposal with the FERC in November with the intent of a May 2017 implementation.