Capacity Performance Proposal

August 22, 2014
• Capacity Products
  – Capacity Performance Product
  – Base Capacity Product
  – Extended Summer Product
  – Limited DR
  – Storage Resources
  – Qualifying Transmission Upgrades
  – Resource Coupling
  – Limited Resource, Sub-Annual and Base Capacity Constraints
  – Auction Clearing Mechanism
• Methodology for Establishing Maximum Product Quantities
• Unforced Capacity Calculations and Installed Reserve Margin
  – ICAP vs. UCAP and Calculation of Unforced capacity
  – Energy Efficiency
  – Implications of PJM Proposal on Installed Reserve Margin
• Capacity Performance Availability and Flexibility Requirements
• Changes to Base Capacity Requirements
  – Flexibility
  – Storage Resource Eligibility
• Peak Period Performance Assurance
  – Proposed Performance Requirement
  – Non-Performance Penalty Calculation
  – Capacity Performance DR and EE Resources
  – Penalty Cap
  – Credit Requirement
• Product Offer Requirements
• Cost Allocation
  – Option 1 – Extension of Existing Method
  – Option 2 – Winter Peak Allocation
• Previously Proposed RPM Changes
• Transition Auction Mechanism for Delivery Years 2015/16, 2016/17, 2017/18
Schedule

Preparation

• PJM posts draft whitepaper part 1 (background material) – 8/1/14 – Complete
• Education and dialogue sessions – 8/12/14 and 8/18/14 – Complete
• PJM posts draft whitepaper part 2 (with package in matrix) – 8/20/14 – Complete
• Stakeholder meeting to present the draft whitepaper – 8/22/14
• Stakeholder meeting to discuss the draft whitepaper – 9/11/14
• Stakeholders submit written comments – 9/17/14
• Stakeholder meeting for PJM to receive comments and get clarification – 9/24/14

ELC Process

• PJM issues whitepaper – 10/7/14
• Stakeholders form coalitions by 10/21/14
• Coalition briefing papers submitted and posted by 10/28/14
• Enhanced LC meeting with the Board – 11/4/14