



PJM Manual M-06, Rev. 18

Summary of Changes

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- Annual Review
 - Clarifying changes to better describe existing rules and processes
- FERC Order – Stage 1
 - Conforming changes for Stage 1 replacements and Balancing Congestion
- FERC Order – Forfeitures
 - Conforming changes for FTR Forfeiture rule changes
- Residual ARR
 - Updates to align with approved Residual ARR rule changes

Cover to cover review per M-34

- Updated Section 4.6 to correct wording for ARR daily reassignments (no rule change)
 - Each ARR owned by each LSE ~~gaining~~ **losing** load is reduced by this same percentage

Conforming changes per FERC Order ER16-121-001

- Updated Sections 4.2 and 4.3 to align with new Qualified Replacement Resource (QRR) logic
- Updated Section 8.4 to account for balancing congestion change
 - Removal of “Real-Time Market”

Conforming change per FERC Order EL14-37

- Updated Section 8.6 to conform with new FTR Forfeiture logic
 - Prevailing and counter flow FTRs
 - Virtual netting across portfolios
 - New percentage thresholds for virtual flow and FTR constraint impacts
 - Change worst case INC/DEC to load weighted reference bus

Update to reflect Residual ARR rule change

- Updated Section 4.10
 - Prior to the effective month, PJM will remove all negatively valued Residual ARRs resulting from the corresponding Monthly FTR Auction and recalculate the Residual ARRs made available by the increased transmission capability for paths which were pro-rated in Stage 1 of the Annual ARR Allocation. PJM will allocate positively valued Residual ARRs only.