



FERC Order 831 Offer Verification July Status Update

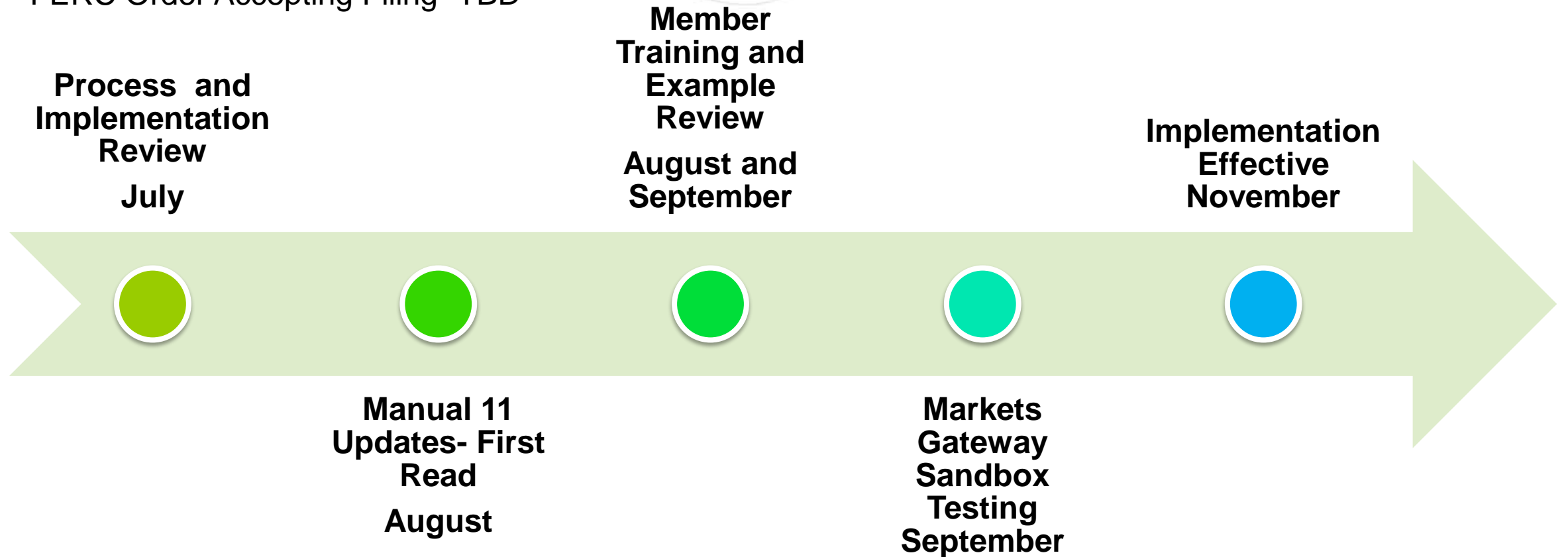


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Market Implementation Committee
July 12, 2017

- Offer Verification Timeline
- Implementation Overview
- Example Review
- Next Steps

Planned Offer Verification Timeline

- ✓ FERC Order Issued 11/17/16
- ✓ Compliance Filing Submitted 5/8/17
- ✓ FERC Order Accepting Filing- TBD



	November 2017 Compliance Filing Effective Date	March 2018 Automatic Offer Verification Process
Offer Verification "Screen"	<ul style="list-style-type: none"> • Cost Offers > \$1,000 will be rejected in Markets Gateway. • Market Seller must submit an offer less than or equal to \$1,000 in Markets Gateway, and email PJM an excel template with the desired offer curve, including heat input and performance factor data. 	<ul style="list-style-type: none"> • Automated screen applied in Markets Gateway at time of offer submission. • Heat input and performance factor data submission tool still TBD. • Cost Offers >\$1,000 will be capped at the at the greater of \$1,000, or the price on the most expensive verified segment on the curve.
Exception Process	<ul style="list-style-type: none"> • If the offer does not pass the verification screen, Market Sellers must submit documentation for cost offers >\$1000 • Market Seller to send email to PJM and attach completed excel template and documentation to support expected or actual fuel costs. • Approval/Rejection email sent to Market Seller 	



Planned Demand Response Implementation Overview

For Economic DR and Load Management Resources with Cost Offers > \$1,000/MWh

	November 2017- Future Compliance Filing Effective Date
Data Collection	<ul style="list-style-type: none">CSP submits Incremental Cost (\$/MWh) summary by category in DR Hub which will establish offer curve cap in Markets Gateway >\$1,000/MWh and <=2,000.
Offer Verification	<ul style="list-style-type: none">CSP must certify accuracy of incremental cost and provide detailed support for development of cost for offer hours prior to offer. Energy offers in Markets Gateway will be capped at incremental offer amount.

Implementation details may change based on FERC approval of compliance filing

The following example is for illustrative high level purposes only.

	Verification	Used to Calculate LMP	Used for Dispatch	Eligible for Make whole
Cost Offer #1 \$900	N/A	\$900	\$900	\$900
Cost Offer #2 \$1,500	Verified at \$1,500	\$1,500	\$1,500	\$1,500
Cost Offer #3 \$2,200	Verified at \$2,200	\$2,000	\$2,000	\$2,200

- Tech Forum Change Review – July 18
 - Manual 11 Revisions
 - MIC First Read – August 9
 - MRC First Read – August 24
 - MIC Vote – September 13
 - MRC Vote – September 28
 - Education Sessions (coordinated with Intraday Offers):
 - August 7
 - September 15
- *Registration is open on the [Tech Change Forum](#) page

Questions: Please email EnergyOfferVerification@pjm.com