



# PJM Stage 1 Proposal - Status Update

CIFP - RBP

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## PJM received robust engagement and a lot of feedback on its initial proposal at the Stage 1 meetings.

Targeted comments covered a variety of the proposal's features.

Connect & Manage	Bilateral Matchmaking	Central Procurement	Procurement Target
<ul style="list-style-type: none"> <li>Greater clarity on dependencies between C&amp;M and RBP</li> <li>Is there an opportunity to file C&amp;M and RBP “at the same time”?</li> </ul>	<ul style="list-style-type: none"> <li>Request for more detail – is re-matching available if time permits</li> <li>Does a proforma agreement provide value?</li> </ul>	<ul style="list-style-type: none"> <li>Pay as Bid or Single Clearing Price?</li> <li>Will PJM disclose the Max Willingness to Pay?</li> <li>Market Power Mitigation</li> </ul>	<ul style="list-style-type: none"> <li>Should PJM play a role in regulating or providing transparency on the final EDC target?</li> <li>When does the target need to be set?</li> </ul>
Role of EDC	Supply Eligibility	Selection Process	Credit
<ul style="list-style-type: none"> <li>More clearly define the “EDC”</li> <li>EDCs don’t want to wear the risk – this may result in targets of 0</li> </ul>	<ul style="list-style-type: none"> <li>Is there an opportunity to make it less restrictive?</li> <li>Is partial clearing possible?</li> <li>Allow replacements</li> </ul>	<ul style="list-style-type: none"> <li>Should selection criteria look at multiple factors (COD, Term, and price)?</li> </ul>	<ul style="list-style-type: none"> <li>Collateral requirements may be too high – are they competitive?</li> </ul>

*\*Note: This is not meant to be an all-inclusive list of feedback. Rather, it is intended to be representative of the themes.*

## Several action items were documented from the Stage 1 meetings:

- Look for time at a Connect and Manage Senior Task Force meeting to have a combined discussion on the RBP and C&M
- Share a timeline for the RFI to RFP for the bilateral stage
- Provide a clearer definition on the entities that fall within the EDC category recognizing state boundaries
- Establish milestones for EDCs to provide final target MWs to PJM
- Share more specific details on the gating criteria that will be used in the selection process
- Create more settlement, credit and selection process examples

**Based on feedback from the Stage 1 meetings and offline discussions, PJM is evaluating changes to its initial proposal in the following**

**areas:**

**Timing of Two Phases**

**Procurement Target**

**Term Length**

**Ultimate Buyer**

**Eligible Supply**

**Supply Obligations**

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## **PJM Stage 1 Proposal - Status Update**



### Member Hotline

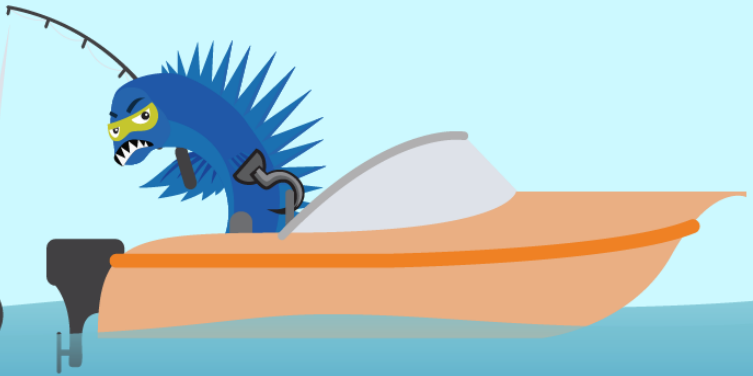
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