

HYBRID RESOURCES MARKET MODEL SELECTION

Issue Source

PJM staff is bringing this issue forward for consideration.

Issue Content

The existing requirement that a facility participating in the capacity market as a Hybrid Resource must also operate as a Hybrid Resource in the Energy and Ancillary Services Markets is presenting several challenges. Not only is coordinating two technologies to operate as a single market unit technically difficult, where different components have different offers, the hybrid model necessitates that the Market Seller separate out and assign the appropriate credits and charges for what is essentially one market unit with one market settlement to different entities. This impacts the viability of mixed-technology projects. While, typically, Mixed Technology Facilities (MTF) can opt to operate the different technologies as independent market units, facilities interconnecting via the Surplus Interconnection Service (SIS) do not have this option if they desire to participate in the capacity market. Because SIS resources do not have their own CIRs, they *must* become a Hybrid Resource with the existing technology to obtain capacity value. Once modeled as a Hybrid Resource in the RPM, they then *must* operate as a hybrid in the Energy and Ancillary Services Markets. The requirement that projects modeled as a Hybrid Resource operate as a Hybrid Resource in the Energy and AS Markets or not receive capacity value at all, is limiting the potential of the SIS process to yield additional UCAP for the PJM region at a time when new capacity is deeply needed. This Issue Charge proposes to review PJM's rules regarding the Energy and Ancillary Service market election for resources modeled as a Hybrid Resource for the purposes of the capacity market.

Key Work Activities and Scope

1. Provide Education on the existing PJM's existing rules for Mixed Technology Facilities, both generally and how these rules are applied to projects going through SIS.
2. Identify whether the requirement that a MTF elect the same classification across PJM's markets is still warranted.
3. If differentiated classification is warranted—for example, being accredited and participating in the Capacity Market as a Hybrid Resource but operating in the Energy & Ancillary Services Markets as independent units—identify how this differentiation flows downstream (e.g., energy must offer requirement, performance assessment, etc.)

Out of Scope:

1. Rules around the assignment, transfer, allocation and use of CIRs

Expected Deliverables

- 1 |** Market rules facilitating the differentiated classification of Mixed Technology Facilities between the Capacity Market and Energy & Ancillary Services Markets.

Corresponding revisions to the PJM Tariff or other governing document provisions consistent with the solution proposed will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC approved solution will be brought to the appropriate Standing Committees for review and endorsement.

Decision-Making Method

Tier 1, consensus on a single proposal

Stakeholder Group Assignment

Market Implementation Committee

Expected Duration of Work Timeline

Start Date	Priority Level	Timing	Meeting Frequency
Aug 2026	☐ High ☒ Medium ☐ Low	☒ Immediate ☐ Near Term ☐ Far Term	☐ Weekly ☒ Monthly ☐ Quarterly

Charter

☐	This document will serve as the Charter for a new group created by its approval.
☒	This work will be handled in an existing group with its own Charter (and applicable amendments).