	Governing Document, Agreement, Attachment , Section, Title	Current Language	Proposed Revisions	Rationale/Notes
1		Annual Revenue Rate:		Attachment DD, section 11 is no longer
			^{••} Annual Revenue Rate" shall mean the rate employed to assess a	
	В	compliance penalty charge on a Curtailment Service Provider	r <mark>compliance penalty charge on a Curtailment Service Provider</mark>	construct so the "Annual Revenue Rate"
		under Tariff, Attachment DD, section 11.		definition is obsolete.
2		Daily Deficiency Rate:		Attachment DD, section 9 is no longer
			"Daily Deficiency Rate" shall mean the rate employed to assess	
	D		certain Deficiency charges under Tariff, Attachment DD, section	construct.
		7, Tariff, Attachment DD, section 8, Tariff, Attachment DD		
		section 9, or Tariff, Attachment DD, section 13.	section 9, or Tariff, Attachment DD, section 13.	
3		A Member that has committed capacity through an RPM	A Member that has committed capacity through an RPM	Final EFORd has been replaced with
		Auction for a Delivery Year may purchase Locational UCAP as		Accredited UCAP Factor under CIFP-RA
		replacement capacity from a Member with available uncommitted capacity for such Delivery Year in accordance	replacement capacity from a Member with available uncommitted capacity for such Delivery Year in accordance with	changes (ER24-99). Tariff, Att DD,
		with the terms of this section and the PJM Manuals. Locational		and is no longer effective. Tariff Att DD,
		UCAP may not be sold or purchased prior to the date that the		Section 9 Peak Season Maintenance
		final EFORD is established for such Delivery Year, and if	final EFORD Accredited UCAP Factor is established for such	Compliance Penalty Charge, Section 10
		designated to PJM by the Locational UCAP Seller as sold prior		Peak-Hour Period Availability Charges and
		to the Third Incremental Auction for a Delivery Year must be	UCAP Seller as sold prior to the Third Incremental Auction for a	
		confirmed by the buyer prior to such Third Incremental		and ILR Compliance Penalty Charge are no
		Auction as purchased for replacement capacity, or such		longer relevant under Capacity
		transaction shall be rejected. In accordance with procedures	capacity, or such transaction shall be rejected. In accordance	Performance construct. Locational UCAP
		specified in the PJM Manuals, the parties to a Locational UCAP	with procedures specified in the PJM Manuals, the parties to a	Seller is subject to charges imposed under
		transaction must notify PJM of such transaction, which		Section 7A Generation Operational Testing
		notification must specify: i) the buyer, ii) the Locational UCAP	transaction, which notification must specify: i) the buyer, ii) the	0
		Seller, iii) the start and end dates of the transaction (which may		Management Test Failure Charge.
		not be retroactive), iv) the Locational UCAP amount (no less	transaction (which may not be retroactive), iv) the Locational	
		than 0.1 megawatts), v) the demand or generation resource with	UCAP amount (no less than 0.1 megawatts), v) the demand or	
		available uncommitted capacity that is the basis for the sale, vi)	generation resource with available uncommitted capacity that is	

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4 Tariff, Att. DD, Section 5.14 (f)(i) & (ii)	the Locational Delivery Area in which the resource is located, and vii) effective with the 2022/2023 Delivery Year, to the extent such resource does not qualify for one of the categorical exemptions described in Tariff, Attachment DD, sections 5.14(h- 1)(5) through 5.14(h-1)(8), the resource's Capacity Resource with State Subsidy status, including whether or not, for that Delivery Year, any State Subsidy will be received associated with that Capacity Resource. The Locational UCAP Seller shall be responsible for any charges imposed under sections 7, 8, 9, 10, 10A, 11, or 13, as applicable, for such Delivery Year, with respect to the increment of capacity sold as Locational UCAP; any other settlement of charges under the Locational UCAP transaction shall be between the parties. A purchaser of Locational UCAP may not offer such capacity into an RPM Auction. i) The Office of the Interconnection shall calculate and post the Preliminary Zonal Capacity Prices for each Delivery Year. The Preliminary Zonal Capacity Price for each Zone shall be the sum of: 1) the marginal value of system capacity for the PJM Region, without considering locational constraints; 2) the Locational Price Adder, if any, for the LDA in which such Zone is located; provided however, that if the Zone contains multiple LDAs with different Capacity Resource Clearing Prices, the Zonal Capacity Prices for such LDAs, weighted by the Unforced Capacity of Capacity Resources cleared in each such LDA; 3) an adjustment, if	Tariff, Attachment DD, sections 5.14(h-1)(5) through 5.14(h- 1)(8), the resource's Capacity Resource with State Subsidy status, including whether or not, for that Delivery Year, any State Subsidy will be received associated with that Capacity Resource. The Locational UCAP Seller shall be responsible for any charges imposed under sections 7, 7A, 8, 9, 10, 10A, 11, 11A, or 13, as applicable, for such Delivery Year, with respect to the increment of capacity sold as Locational UCAP; any other settlement of charges under the Locational UCAP transaction shall be between the parties. A purchaser of Locational UCAP may not offer such capacity into an RPM Auction. i) The Office of the Interconnection shall calculate and post the Preliminary Zonal Capacity Prices for each Delivery Year. The Preliminary Zonal Capacity Price for each Zone shall be the sum of: 1) the marginal value of system capacity for the PJM Region, without considering locational constraints; 2) the Locational Price Adder, if any, for the LDA in	An adjustment to account for adders paid to Annual Resources and Extended Summer Demand Resources is no longer relevant under the Capacity Performance construct. This adjustment is no longer required with the expiration of Extended Summer

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	adjustment, if required to provide sufficient revenue for payment	to account for Resource Make-Whole Payments; and (54) an	
	value of system capacity weighted by the Unforced Capacity cleared in all auctions previously conducted for such Delivery Year (excluding any Unforced Capacity cleared as replacement capacity); (2) the average Locational Price Adder weighted by the Unforced Capacity cleared in all auctions	ii) The Office of the Interconnection shall calculate and post the Adjusted Zonal Capacity Price following each Incremental Auction. The Adjusted Zonal Capacity Price for each Zone shall equal the sum of: (1) the average marginal value of system capacity weighted by the Unforced Capacity cleared in all auctions previously conducted for such Delivery Year (excluding any Unforced Capacity cleared as replacement capacity); (2) the average Locational Price Adder weighted by the Unforced Capacity cleared in all auctions previously conducted for such Delivery Year (excluding any Unforced Capacity cleared as replacement capacity); (3) an- adjustment, if required, to account for adders paid to Annual Resources and Extended Summer Demand Resources for all-	
	auctions previously conducted for such Delivery Year (excluding any Unforced Capacity cleared as replacement capacity); (4) an adjustment, if required, to account for Resource Make-Whole Payments for all actions previously conducted (excluding any Resource Make-Whole Payments to be charged to the buyers of replacement capacity); and (5) an adjustment, if	auctions previously conducted for such Delivery Year- (excluding any Unforced Capacity cleared as replacement-	

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	Credits. The Adjusted Zonal Capacity Price may decrease if Unforced Capacity is decommitted or the Resource Clearing Price decreases in an Incremental Auction.	Credits. The Adjusted Zonal Capacity Price may decrease if Unforced Capacity is decommitted or the Resource Clearing Price decreases in an Incremental Auction.	
5 Tariff, Att. DD, Section 7A (a)	the Office of the Interconnection up to two times in each of the summer and winter seasons during the relevant Delivery Year, and as further detailed in the PJM Manuals. The selection of Generation Capacity Resources subject to testing pursuant to this section and the timing of an operational test shall be determined	To preserve and maintain the reliability of the PJM Region, and to improve the likelihood that Generation Capacity Resources will be capable of operating within their specified operating parameters during a reliability event, Generation Capacity Resources, with the exception of Variable Resources, that are committed in RPM Auctions or are included in a FRR Plan shall be subject to operational testing initiated by the Office of the Interconnection up to two times in each of the summer and winter seasons during the relevant Delivery Year, and as further detailed in the PJM Manuals. The selection of Generation Capacity Resources subject to testing pursuant to this section and the timing of an operational test shall be determined by the Office of the Interconnection, and may consider a number of factors, including the period of time since a unit last operated, the system conditions under which the unit has recently operated, the expected system conditions during the operational test, and the recent performance of units with respect to successfully starting and operating within the specified	Make-whole payments are assessed to the Market Seller of the resource in the Energy Market. The Capacity Market Seller of the resource in the Capacity Market may be different than the Energy Market Seller of such resource in the Energy Market.

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	the Interconnection under this provision shall be eligible for make whole payments in accordance with Tariff, Attachment K- Appendix, section 3.2.3(e). A committed Generation Capacity Resource shall be deemed to pass a test initiated by the Office of the Interconnection if the resource successfully starts and synchronizes to the grid within the specified notification and startup time (plus the greater of 10% time to start or ten minutes) and operates for the unit's minimum run time as specified in the selected schedule; otherwise, such resource shall be deemed to fail the test. Following a failed test or a failed re-test, the Office of Interconnection may issue a re-test of the resource once the resource is made available for scheduling. A re-test initiated by the Office of the Interconnection has the same requirements as the initial test. The re-test is considered to be part of the same operational test, and does not count as a second test initiated by the Office of Interconnection for the relevant season. Resources shall not be eligible to be made whole for PJM initiated re-tests following a failed test. If a re-test is issued by PJM and the unit fails to successfully start and synchronize to the grid during such re-test, a Generation Capacity Resource operational test failure	Appendix, section 3.2.3(e). A committed Generation Capacity	
Tariff, Att. DD, Section 9, Peak Season Maintenance	Tariff, Att DD, Section 9, Peak Season Maintenance Compliance Penalty Charge https://agreements.pjm.com/oatt/5162	Maintenance Compliance Penalty Charge, and entitle this section [Reserved] https://agreements.pjm.com/oatt/5162	Att DD, Section 9 is no longer relevant under Capacity Performance construct. The provisions of section 9 do not apply to Capacity Performance Resources or Seasonal Capacity Performance Resources.

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Compliance Penalty Charge			
7 Tariff, Att. DD, Section 10, Peak-Hour Period Availability Charges and Credits	Tariff, Att DD, Section 10, Peak-Hour Period Availability Charges and Credits <u>https://agreements.pjm.com/oatt/5163</u>	Availability Charges and Credits, and entitle this section [Reserved]	Att DD, Section 10 has passed sunset date and is no longer relevant under Capacity Performance construct. The sunset date is contained within the affected language.
8 Tariff, Att. DD, Section 11 Demand Resource and ILR Compliance Penalty Charge	Tariff, Att DD, Section 11 Demand Resource and ILR Compliance Penalty Charge <u>https://agreements.pjm.com/oatt/5164</u>	[Reserved]	Att DD, Section11 is no longer relevant under Capacity Performance construct. The provisions of section 11 do not apply to Capacity Performance Resources or Seasonal Capacity Performance Resources.
 9 Tariff, Article Definitions E-F – Energy Market Opportunity Cost OA, Article 1, Definitions E-F – Energy 	"Energy Market Opportunity Cost" shall mean the difference between (a) the forecasted cost to operate a specific generating unit when the unit only has a limited number of available run hours due to limitations imposed on the unit by Applicable Laws and Regulations and (b) the forecasted future Locational Marginal Price at which the generating unit could run while not violating such limitations. Energy Market Opportunity Cost	number of available run hours due to limitations imposed on the unit by Applicable Laws and Regulations and (b) the forecasted future Locational Marginal Price at which the generating unit could run while not violating such limitations. Energy Market Opportunity Cost therefore is the value associated with a specific	This section is being clarified in conformance with other clarifications regarding opportunity costs to align the definition of Energy Market Opportunity Cost with language in OA, Schedule 2 which describes those opportunity costs to encompass all operational limitations.

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		authority and is reflected in the rules set forth in PJM Manual	the applicable regulatory authority and is reflected in the rules	
	Cost	15PDF. Energy Market Opportunity Costs shall be limited to	set forth in PJM Manual 15PDF. Energy Market Opportunity	
		those resources which are specifically delineated in Operating Agreement, Schedule 2.	Costs shall be limited to those resources which are specifically delineated in Operating Agreement, Schedule 2.	
10		A cost-based offer, as defined in Operating Agreement,	A cost-based offer, as defined in Operating Agreement, Schedule	This section is being clarified in
10	· ·	Schedule 1, section 1.2, is a three-part offer consisting of Start-	1, section 1.2, is a three-part offer consisting of Start-up Costs,	conformance with other clarifications
		up Costs, No-load Costs, and the Incremental Energy Offer.	No-load Costs, and the Incremental Energy Offer. These terms	regarding opportunity costs to align the
		These terms are as defined in Operating Agreement, section 1.		definition of Energy Market Opportunity
	Components to			Cost with language in OA, Schedule 2
	-		The following lists the categories of cost that may be applicable	which describes those opportunity costs to
		to a Market Participant's three-part cost-based offer:	to a Market Participant's three-part cost-based offer:	encompass all operational limitations.
	Offers			
		(a) For Start-up Costs	(a) For Start-up Costs	
		Fuel cost	Fuel cost	
		Emission allowances/adders	Emission allowances/adders	
		Maintenance Adders	Maintenance Adders	
		Operating costs	Operating costs	
		Station service	Station service	
			Opportunity Costs	
		(b) For No-load Costs		
		Fuel cost	(b) For No-load Costs	
		Emission allowances/adders	Fuel cost	
1		Maintenance Adders	Emission allowances/adders Maintenance Adders	
1		Operating costs	Operating costs	
		(c) Incremental Costs in Incremental Energy Offers	Opportunity Costs	
1		Fuel cost	opportunity costs	
		Emission allowances/adders	(c) Incremental Costs in Incremental Energy Offers	

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	Maintenance Adders	Fuel cost	
	Operating costs	Emission allowances/adders	
	Opportunity Costs	Maintenance Adders	
		Operating costs	
		Opportunity Costs	
11 OA, Schedule			This section is being clarified in
-	because it only has a limited number of starts or available run	because it only has a limited number of starts or available run-	conformance with other clarifications
		hours resulting from (i) the physical equipment limitations of the	
Costs	unit, for up to one year, due to original equipment manufacturer	unit, for up to one year, due to original equipment manufacturer	definition of Energy Market Opportunity
	recommendations or insurance carrier restrictions, or (ii) a fuel	recommendations or insurance carrier restrictions, or (ii) a fuel	Cost with language in OA, Schedule 2
		supply limitation, for up to one year, resulting from an event of	which describes those opportunity costs to
	Catastrophic Force Majeure, the Market Participant may include		encompass all operational limitations.
	a calculation of its "Opportunity Costs" which is an amount	a calculation of its "Opportunity Costs" which is an amount	
	reflecting the unit-specific Non-Regulatory Opportunity Costs	reflecting the unit-specific Non-Regulatory Opportunity Costs	
	expected to be incurred. Such unit-specific Non-Regulatory	expected to be incurred. Such unit-specific Non-Regulatory	
	Opportunity Costs are calculated by forecasting Locational	Opportunity Costs are calculated by forecasting Locational	
	Marginal Prices based on future contract prices for electricity using PJM Western Hub forward prices, taking into account	Marginal Prices based on future contract prices for electricity using PJM Western Hub forward prices, taking into account	
	historical variability and basis differentials for the bus at which	historical variability and basis differentials for the bus at which	
	the generating unit is located for the prior three year period	the generating unit is located for the prior three year period	
	immediately preceding the period of time in which the unit is	immediately preceding the period of time in which the unit is	
	bound by the referenced restrictions, and subtract therefrom the	bound by the referenced restrictions, and subtract therefrom the	
	forecasted costs to generate energy at the bus at which the	forecasted costs to generate energy at the bus at which the	
	generating unit is located, as specified in more detail in PJM	generating unit is located, as specified in more detail in PJM	
	Manual 15PDF. If the difference between the forecasted	Manual 15PDF. If the difference between the forecasted	
	Locational Marginal Prices and forecasted costs to generate	Locational Marginal Prices and forecasted costs to generate	
	energy is negative, the resulting Non-Regulatory Opportunity	energy is negative, the resulting Non-Regulatory Opportunity	
	Cost shall be zero.	Cost shall be zero.	

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12	Appendix, section 1.10.1A(j)(i)(2)	are capable of providing Synchronized Reserve or Non- Synchronized Reserve, as specified in section 1.7.19A(a), in section 1.7.19A.01(a) and in the PJM Manuals, (B) are located within the metered boundaries of the PJM Region, and (C) have submitted offers for the supply of energy into the Day-ahead Energy Market and/or Real-time Energy Market shall be deemed to have made their reserve capability available to provide Synchronized Reserve or Non-Synchronized Reserve in the Day-ahead Energy Market and/or Real-time Energy Market for each clock hour for which the Market Seller submits an available offer to supply energy; provided, however that hydroelectric generation resources and Energy Storage Resources are not automatically deemed available to provide reserves based on the submission of an available energy offer but may submit offers to supply Synchronized Reserve,	offer to supply energy; provided, however that hydroelectric generation resources, Hybrid Resources, and Energy Storage	This language was intended to be part of the Hybrids Phase II proposal in Docket No. ER23-2484-000 but was overlooked when revisions were developed.
13	Appendix, section 1.10.1A(j)(ii)(1)	Day-ahead Energy Market and Real-time Energy Market, in accordance with the PJM Manuals; except, however, that the Office of the Interconnection will not make such determination for hydroelectric generation resources or Energy Storage Resources. Hydroelectric generation resources and Energy Storage Resources may submit offers for their available	Day-ahead Energy Market and Real-time Energy Market, in accordance with the PJM Manuals; except, however, that the Office of the Interconnection will not make such determination for hydroelectric generation resources, Hybrid Resources, or Energy Storage Resources. Hydroelectric generation resources, Hybrid Resources, and Energy Storage Resources may submit offers for their available Synchronized Reserve capability as part	This language was intended to be part of the Hybrids Phase II proposal in Docket No. ER23-2484-000 but was overlooked when revisions were developed.

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14 Tariff, Attachment K- Appendix,	 exceeds 0.1 MW; however, any such resource which is subject to the must offer requirements in section 1.10.1A(j)(i) above must submit a Synchronized Reserve offer which specifies the MW of available Synchronized Reserve capability in order to remain compliant with such requirements. (2) Market Sellers of all other generation resources located within the metered boundaries of the PJM Region that submit offers for the supply of energy into the Day-ahead Energy 	within the metered boundaries of the PJM Region that submit offers for the supply of energy into the Day-ahead Energy	This language was intended to be part of the Hybrids Phase II proposal in Docket No. ER23-2484-000 but was overlooked
1.10.1A(m)(i)(2)	Market and/or Real-time Energy Market and are capable of providing Secondary Reserve, as specified in the PJM Manuals, shall be deemed to have made their reserve capability available to provide Secondary Reserve in the Day-ahead Energy Market and/or Real-time Energy Market for each clock hour for which the Market Seller submits an available offer to supply energy; provided, however that hydroelectric generation resources and Energy Storage Resources are not automatically deemed available to provide reserves based on the submission of an available energy offer but may submit offers to supply Secondary Reserve, as applicable.	Market and/or Real-time Energy Market and are capable of providing Secondary Reserve, as specified in the PJM Manuals, shall be deemed to have made their reserve capability available to provide Secondary Reserve in the Day-ahead Energy Market and/or Real-time Energy Market for each clock hour for which the Market Seller submits an available offer to supply energy; provided, however that hydroelectric generation resources, Hybrid Resources, and Energy Storage Resources are not automatically deemed available to provide reserves based on the submission of an available energy offer but may submit offers to supply Secondary Reserve, as applicable.	when revisions were developed.
15 Tariff, Attachment K- Appendix, section 1.10.1A(m)(ii) (1)	(1) For each offer to supply Secondary Reserve by a generation resource, the Office of the Interconnection shall determine the MW of available Secondary Reserve capability offered in the Day-ahead Energy Market and Real-time Energy Market in accordance with the PJM Manuals; except, however, that the Office of the Interconnection will not make such determination for hydroelectric generation resources or Energy Storage Resources. Hydroelectric generation resources or Energy Storage Resources may submit their available Secondary	(1) For each offer to supply Secondary Reserve by a generation resource, the Office of the Interconnection shall determine the MW of available Secondary Reserve capability offered in the Day-ahead Energy Market and Real-time Energy Market in accordance with the PJM Manuals; except, however, that the Office of the Interconnection will not make such determination for hydroelectric generation resources, Hybrid Resources, or Energy Storage Resources. Hydroelectric	This language was intended to be part of the Hybrids Phase II proposal in Docket No. ER23-2484-000 but was overlooked when revisions were developed.

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	Reserve capability as part of their offer into the Secondary Reserve market, provided that such offer equals or exceeds 0.1 MW; however, any such resource which is subject to the must offer requirements in section 1.10.1A(m)(i) above must submit a Secondary Reserve offer which specifies the MW of available Secondary Reserve capability in order to remain compliant with such requirements.	requirements in section 1.10.1A(m)(i) above must submit a	