



Advance Scheduled Resources, Phase 1 Tariff/OA Updates

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Operations

Market & Reliability Committee
October 23, 2025

- Original Problem Statement / Issue Charge was split into two workstreams
 - Phase 1 focused on an offer capping approach to utilize only cost-based offers for resources that are scheduled in advance of the Day-ahead Energy Market
- Phase 1 Package for Advance Scheduled Resources was approved by Stakeholders during the September 10 MIC
- This presentation will focus on a review of updated Tariff / Operating Agreement language

- The goal was to determine an offer capping approach for resources called in advance of the Day-ahead Market
- The approved package places all resources scheduled in advance of the Day-ahead Market on the available Cost-based schedule (i.e. Offer Cap to Cost-based schedule)
 - Develop tariff and OA language
 - Update Manual language with respect to tariff/OA updates
 - Conforming changes to M-11 and M-13

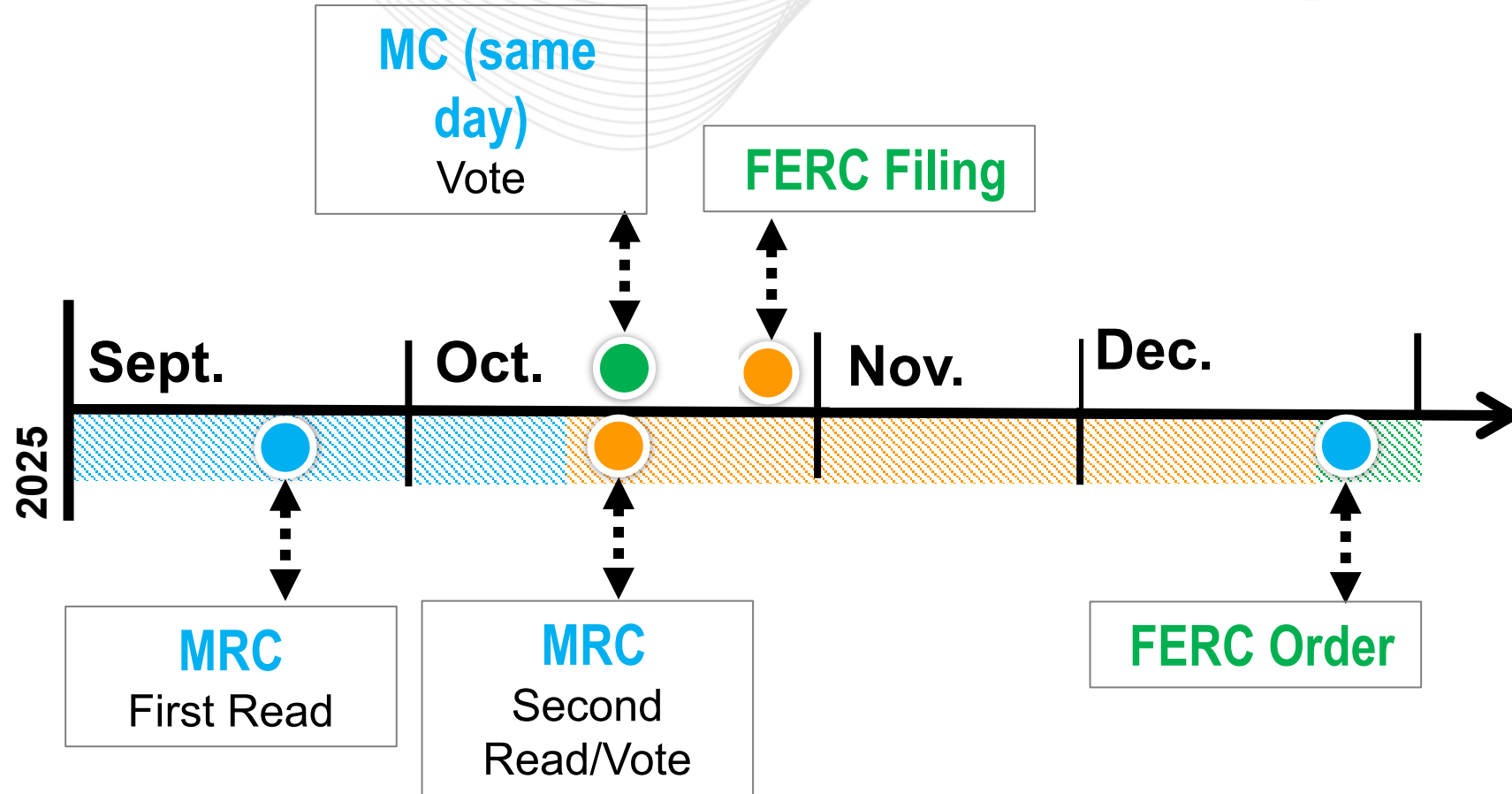
Action Required	Deadline	Who May Be Affected
Review edits to Tariff Attachment K – Appendix, Sections 1.10.1A(d), 1.10.1A(f), 6.4.1(d) and 6.6(a) revisions and associated OA sections 1.10.1A(f), 6.4.1(d) and 6.6(a)	10/23/2025	All Market Participants
		

- (d) Except for any generation resource with minimum notification or start-up requirement greater than 24 hours where the Office of the Interconnection pre-schedules such resource based on a binding cost-based offer in advance of the Day-ahead Energy Market, Market Sellers in the Day-ahead Energy Market shall submit offers for the supply of energy, demand reductions, or other services for the following Operating Day for each clock hour for which the Market Seller desires or is required to make its resource available to the Office of the Interconnection.

- (f) Each Market Seller owning or controlling the output of a Generation Capacity Resource committed to service of PJM loads under the Reliability Pricing Model or Fixed Resource Requirement Alternative shall submit a forecast of the availability of each such Generation Capacity Resource for the next seven days. A Market Seller (i) ~~may~~ **shall** submit a non-binding forecast of the ~~price~~ **cost-based offer** at which it expects to offer a generation resource increment to the Office of the Interconnection over the next seven days, and (ii) shall submit a binding **cost-based** offer for energy, along with Start-up Costs and No-load Costs, if any, for the next seven days or part thereof, for any generation resource with minimum notification or start-up requirement greater than 24 hours **where the Office of the Interconnection pre-schedules such resource in advance of the Day-ahead Energy Market.** Such resources committed by the Office of the Interconnection **may update the available cost-based offers for the Real-time Energy Market in accordance with Tariff, Attachment K-Appendix, section 1.10.9A(a) and** will not receive Operating Reserve Credits nor otherwise be made whole for its hours of operation for the duration of any portion of such commitment that exceeds the maximum start-up and notification times for such resources during Hot Weather Alerts and Cold Weather Alerts, consistent with Operating Agreement, Schedule 1, section 3.2.3 and Operating Agreement, Schedule 1, section 6.6.

- (d) Any resource that is pre-scheduled by the Office of the Interconnection in advance of the Day-ahead Energy Market shall be evaluated on the cost-based offer in the clearing or commitment of such resource in the Day-ahead Energy Market and Real-time Energy Market in accordance with this Tariff, Attachment K-Appendix, section 6.4.

- (a) Market Sellers submitting Offer Data for Generation Capacity Resources shall submit and be subject to pre-determined limits on cost-based offers, which are always parameter limited. Such offers must specify parameter values equal to or less limiting, i.e. more flexible, than the defined parameter limits. Such cost-based offers (“parameter limited schedules”) shall be (1) considered in the commitment of a resource when the Market Seller does not pass the three pivotal supplier test, as further described in Operating Agreement, Schedule 1, section 6.4.1 and the parallel provisions in Tariff, Attachment K-Appendix, section 6.4.1 or (2) utilized for any resource that is pre-scheduled by the Office of the Interconnection in advance of the Day-ahead Energy Market.



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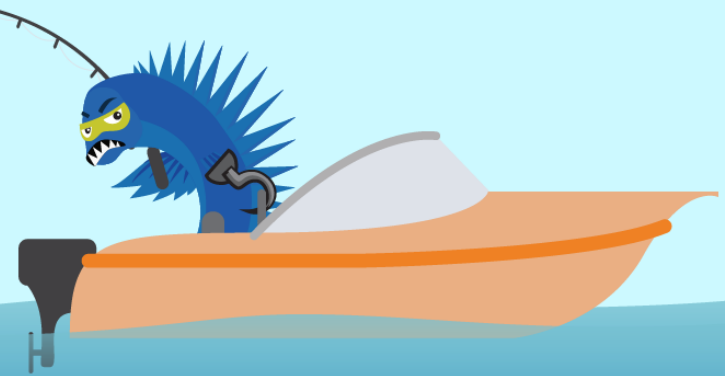
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