

Informational Item: Deactivation Enhancements Senior Task Force (DESTF) Update



- .**↓** pjm
 - On Feb. 14, FERC accepted PJM's proposal in Docket No. <u>ER25-682</u> that, among other things, recognize the capacity contribution of qualifying Reliability Must-Run (RMR) units that can be reasonably expected to perform during capacity emergencies for the 2026/27 and 2027/28 Delivery Years.
 - The accepted RMR proposal addresses the near-term concern regarding the accounting of Brandon Shores and Wagner RMR units in the upcoming capacity auctions for the 2026/27 and 2027/28 Delivery Years.
 - These reforms, as noted in the FERC Order, were proposed as a "stop-gap measure" and "an interim solution for the next two delivery years while PJM works with its stakeholders to develop a more fulsome proposal for considering resource adequacy contributions of RMR resources."



Proposed Update to DESTF Issue Charge

- The development of a longer-term solution for considering capacity contribution of RMR units will need to be completed this year in order to be implemented in time for the 2028/29 BRA scheduled for May 2026.
- To facilitate that discussion and development of a longer-term solution with stakeholders, PJM is proposing to have that work be done at the DESTF, and specifically explore longer-term solution options through a pro forma RMR arrangement, taking into consideration how it's handled in some of the other ISOs.



Proposed Update to DESTF Issue Charge (cont'd)

New item under Key Work Activities and Scope:

7. Develop longer-term solution options effective with the 2028/2029 Delivery Year to recognize resource adequacy contributions of RMR resources in the capacity market through a pro forma RMR arrangement

New item under Areas in scope:

6. Pro Forma RMR Arrangements: Development of a pro forma RMR arrangement and accompanying updates to capacity market rules for deactivating generators that may need to be temporarily retained to maintain reliability.

Update to out of scope section:

1. Capacity market changes. Any capacity market (with the exception of rules related to recognizing resource adequacy contributions of RMR resources in the capacity market) and/or existing reliability backstop auction issues identified will be assigned separately to the appropriate stakeholder group.

