Energy Offer Verification Exercise

Tech Change Forum
October 5, 2017
Offer Verification Exercise

- Exercise Participation Guidelines
- Energy Offer Verification Process Overview
- Procedure to Submit Questions
Goal of Exercise

• Purpose of exercise is to run through process for Offer Screening and Exception submittal
  – Actual pass rates may not mimic realistic event due to current commodity pricing
Exercise Participation Guidelines

- In order to participate you must:
  - Have entered data into the IMM’s MIRA Cost Offer Assumptions (COA)
  - Have Generation Read/Write access to the Markets Gateway IDO Training environment
    - [https://ssotrain.pjm.com](https://ssotrain.pjm.com)
  - Have Cost Schedule Available for 10/5 in Markets Gateway IDO Train environment
    - Cost Schedule ID was requested to be the same as the one used in COA
  - Access the Offer Verification SharePoint site (*Use IE*)
Submit Offer and Template to PJM for Verification

Markets Gateway

Offer Verification Process: November-March

Submit offer > $1,000/MWh

Screening Process

Passed Segments
Eligible to set LMP

Offer Fails/Partially Fails
- Offer capped at the higher of $1,000 or highest verified segment
- Market seller to request exception, upload template & documentation to PJM

Exception Request

Offer Fully Verified
Eligible to set LMP

*Offer Partially Verified
offer is capped at the highest verified segment

*Offer Fails Exception
no segments verified; offer is capped at $1,000

*Unverified Segments may indicate non-compliance with approved Fuel Cost Policies
Screening Process - Exercise
The exercise will simulate:

- Submission of the Offer Verification Template to the SharePoint site:
  - Template Available at: http://www.pjm.com/markets-and-operations/energy/energy-offer-verification.aspx
  - SharePoint Site: https://connect.pjm.com/OfferVerification/default.aspx
- PJM verification of the offer using actual, current commodity price data
- Communication of status back to submitter

This exercise will not simulate:

- Submission of offer segments greater than $1,000/MWh into Markets Gateway
Step 1 - Exercise

• Market Seller is responsible for submitting to PJM, using the offer verification template sent through SharePoint, their desired offer curve.

• PJM will send to the Market Seller notification of receipt of the offer curve via SharePoint.
Step 2 - Exercise

- PJM screens offer segments
- PJM notifies Market Seller of segments that pass the screen.
- PJM notifies Market Seller of any segments that do not pass the screen and will request further information in order to proceed to the Exception Process.
Exception Process - Exercise
Exception Process - Exercise

• The exercise will simulate:
  – Submission of the Offer Verification Template to the SharePoint site:
    • Template Available at: http://www.pjm.com/markets-and-operations/energy/energy-offer-verification.aspx
    • SharePoint Site: https://connect.pjm.com/OfferVerification/default.aspx
  – PJM verification of the offer using hypothetical commodity price data that will generate cost offers > $1,000/MWh
  – Communication of status back to submitter
  – Submission of offer segments greater than $1,000/MWh into Markets Gateway
Exception Process - Exercise

- If any segments do not pass the initial screen, PJM will request that the Market Seller provide additional information in the Offer Verification template.
- In the Commodity Pricing section, the Market Seller provides:
  - The estimated fuel price, for which documentation must be provided
  - The fuel price entered should not include any adders.
- All fuel-related adders will be pulled from COA.
Step 3 (optional) - Exercise

- Market Seller sets segments to $1,000 in Markets Gateway.
- Market Seller completes and submits the Exception Request-Commodity Pricing section of the Offer Verification template.
- PJM confirms receipt of information.
- PJM uses the submitted information, along with the fuel cost policy, to attempt to confirm the unverified segments.
- PJM notifies the Market Seller of the final verified offer.
- PJM will update Markets Gateway to enable it to accept the highest verified segment.
- The Market Seller returns to Markets Gateway to update their offer.
• To test the Markets Gateway functionality, update the applicable Cost Schedule for 10/5/2017 Market Day via the Offer Update Screen to represent desired segments. All segments desired to be > $1,000 must be initially set to $1,000.
After the offer > $1,000 has been verified, users can test updating the applicable Cost Schedule via the **Offer Update Screen** to reflect desired segments up to highest verified price.
• Questions during today’s exercise can be submitted via the WebEx chat function to:  

. Ask Questions Here

• Questions after today’s session can be emailed to:
  • EnergyOfferVerification@pjm.com

• Additional information about offer verification can be found here: