Order 831: Energy Offer Verification Roadmap

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November 20, 2017
• FERC Order 831 “Offer Caps”:
  – **Validation of cost of incremental energy offers** that exceed $1,000/MWh before the unit is allowed to set LMP
  – Maximum incremental cost allowed to set LMP at $2,000/MWh

  “… ensure that a resource’s cost-based incremental energy offer reasonably reflects that resource’s actual or expected costs.”

• *Ex ante* Validation implementation November 1\(^{st}\), 2017 with IDO
# 2017/2018 Energy Offer Verification Roadmap

<table>
<thead>
<tr>
<th>Offer Verification</th>
<th>2017</th>
<th>2018</th>
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<td></td>
<td>Jul</td>
<td>Aug</td>
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<td>Training:</td>
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<td>Sept 27</td>
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<td>Prod:</td>
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<tr>
<td>Potential Dec - Feb Manual Verification Go Live (Tentative)</td>
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<td>Prod:</td>
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<td>March, 2018</td>
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<tr>
<td>Automated Offer Verification Go Live (Tentative)</td>
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<td>Market Trials:</td>
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<td>Simulated market operation for training purposes</td>
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🌟 FERC issued its order on PJM’s compliance filing for Order 831. Currently, there is no effective date. FERC will provide an effective date.

Legend
- Start Date
- End Date

Tech Change Community

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## Offer Verification “Screen”

- Cost Offers > $1,000 will be rejected in Markets Gateway
- Market Seller must submit an offer equal to $1,000 in Markets Gateway, and provide PJM an excel template with the desired offer curve through SharePoint (Most up-to-date contacts in CAM)

## Exception Process

- If the offer does not pass the verification screen, Market Sellers must submit documentation that supports cost offers > $1,000
- Market Seller to provide to PJM (completed excel template and documentation to support expected or actual fuel costs)
- Approval/Rejection answer sent to Market Seller

## March 2018

**Automatic Offer Verification Process**

- Automated screen applied in Markets Gateway at time of offer submission
- Cost Offers > $1,000 will be capped at the at the greater of $1,000, or the price on the most expensive verified segment on the curve
Offer Verification Information

• Energy Offer Verification Page

• Frequently Asked Questions

• Training – September 2017