Order 831: Energy Offer Verification Roadmap

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Overview

- 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.”
• 11/9: FERC largely accepts filing, requests additional details

⭐ 12/11: PJM submits latest compliance filing for Order 831
  – No effective date for implementation was given by the FERC
  – PJM continues to work with vendor with May, 2018 expectation
## Generator Implementation Overview

### Potential February 2017 - April 2017

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<tr>
<th>Offer Verification “Screen”</th>
<th>May 2018 Automatic Offer Verification Process</th>
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| - 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) | - 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 |

### 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
Offer Verification Information

- Energy Offer Verification Page

- Frequently Asked Questions

- Training – September 2017