Order 831: Energy Offer Verification Roadmap

Rami Dirani
April 17, 2018
• 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

Effective implementation date of April 12, 2018 was given by FERC

– PJM continues to work with vendor with June 2018 targeting Automation

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- **Training**: September 27
- **Market Trials**: Simulated market operation for training purposes
- **Prod**: April 12, 2018 – June 2018
- **Manual Verification Go Live**: ✭
- **Prod**: June 2018 Automated Offer Verification Go Live

Legend:
- ◼️ Start Date
- ◇ End Date

Tech Change Community
### Offer Verification “Screen”
- **April 12, 2018 – June 2018**
  - 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

### June 2018
- **Automatic Offer Verification Process**
  - Automated screen applied in Markets Gateway at time of offer submission
  - Cost Offers > $2,000 will be rejected in Markets Gateway
  - Cost Offers > $1,000 will be capped at the greater of $1,000, or the price on the highest verified segment of incremental curve
Offer Verification Information

- Energy Offer Verification Page

- Frequently Asked Questions

- Training – September 2017