



Markets Governing Documents Clean Ups

Problem / Opportunity Statement

The PJM Law Department has identified some language in PJM's governing agreements (Tariff, Operating Agreement, RAA) that are ambiguous, incorrect or require clarification. The subject matters for these substantive and non-substantive clean ups include the provisions in Tariff, Attachment K-Appendix, and the parallel provisions of Schedule 1 of the Operating Agreement, concerning offer prices, offer caps, price offers, cancellation fees, start costs, Maximum Facility Output, demand response participation, Regulation, and the use of the term Market Participant; in Tariff, Attachments N and O regarding Maximum Facility Output; Tariff, Attachment DD with various RPM clean-ups and clarifications; in the Operating Agreement concerning data confidentiality; and in the RAA regarding the Fixed Resource Requirement and clarifying certain defined terms. Should any other categories of clarifying governing agreement revisions be identified during the stakeholder process not specified herein, they will be brought back to the MRC for charter revision.

Making revisions to these provisions will clarify the governing agreement language so that it is clear what terms mean, what was intended with respect to a particular provision, and to hopefully eliminate ambiguity or confusion regarding how the applicable market rules are to be applied. Clarifying the governing agreement language will ensure that all stakeholders clearly understand the rules at issue, which would in turn result in the avoidance of potential market rule violations because a rule was misinterpreted because the language was perceived to be ambiguous. Other proposed revisions would correct incorrect language that doesn't accurately describe the current process that PJM utilizes, some of which are detailed in the PJM Manuals, in an effort to eliminate inconsistencies in the documents in which the market rules are described.

There is no FERC directive to address these issues. Nevertheless, the PJM Law Department, in consultation with the Markets Division, determined that the governing agreement language concerning these matters could and should be improved to ensure clarity of the applicability of the provisions as intended.

More detailed instructions and next steps in the process available in M34, Section 6.2: Issue Identification.