



FTRSTF

FTR/ARR Senior Task Force
April 29, 2015



Stage 1 Historical Resources: Updated Proposal

Updated Proposed Option for treatment of retirement of Stage 1 Historical Resources

- Use of electrical proximity provides closest equivalent to original resource
- Updates from the April 15th Task Force proposal are highlighted in red.

Historical Stage 1 Resources

- Retirements replaced with a capacity offered resource with the closest electrical proximity that is not already a historical resource and has been in service for a minimum of five years. If no resource has been in service for a minimum of five years than the next oldest resource as determined by in service date **and electrical proximity** will be utilized as the replacement.
- Replacement resource MWs will be equivalent to the MWs of retired unit. If retired unit historical ARR MWs < replacement resource MWs then replacement resource MWs will be set equal to retirement resource MWs. If historical resource MWs > replacement resource MWs then additional replacement resources will be added up to the capacity of the retirement resource MWs.
- If the replacement resource creates additional **incremental** Stage 1A infeasible MWs, as determined using the **previous planning period ARR allocation or based on** 10 year Stage 1A analysis, then the next capacity offered resource with the closest electrical proximity that does not cause **any** additional **incremental 10 year** Stage 1A infeasible MWs will be used as the replacement

	PJM Proposed Packages		
Design Components	23	24	25
Stage 1A 10 Year process	Escalation of current ARR results using zonal load forecast growth rate +1.5%	Escalation of current ARR results using zonal load forecast growth rate +1.5%	Escalation of current ARR results using zonal load forecast growth rate +1.5%
Report of monthly payout ratios*	Use Negative Target Allocations as increase in congestion revenue in reporting of monthly payout ratios	Use Negative Target Allocations as increase in congestion revenue in reporting of monthly payout ratios	Use Negative Target Allocations as increase in congestion revenue in reporting of monthly payout ratios
Treatment in settlements of Portfolio netting of FTRs	Status Quo	Status Quo	Do not allow positive FTRs to offset negative FTRs within a portfolio. Treat each FTR individually.
Historical Stage 1 Resources	<ul style="list-style-type: none"> Retirements replaced with a capacity offered resource with the closest electrical proximity that is not already a historical resource and has been in service for a minimum of five years. If no resource has been in service for a minimum of five years than the next oldest resource as determined by in service date and electrical proximity will be utilized as the replacement. Replacement resource MWs will be equivalent to the MWs of retired unit. If retired unit historical ARR MWs < replacement resource MWs then replacement resource MWs will be set equal to retirement resource MWs. If historical resource MWs > replacement resource MWs then additional replacement resources will be added up to the capacity of the retirement resource MWs. If the replacement resource creates additional incremental Stage 1A infeasible MWs, as determined using the 10 year Stage 1A analysis, then the next capacity offered resource with the closest electrical proximity that does not cause any additional incremental 10 year Stage 1A infeasible MWs will be used as the replacement 	Status Quo	<ul style="list-style-type: none"> Retirements replaced with a capacity offered resource with the closest electrical proximity that is not already a historical resource and has been in service for a minimum of five years. If no resource has been in service for a minimum of five years than the next oldest resource as determined by in service date and electrical proximity will be utilized as the replacement. Replacement resource MWs will be equivalent to the MWs of retired unit. If retired unit historical ARR MWs < replacement resource MWs then replacement resource MWs will be set equal to retirement resource MWs. If historical resource MWs > replacement resource MWs then additional replacement resources will be added up to the capacity of the retirement resource MWs. If the replacement resource creates additional incremental Stage 1A infeasible MWs, as determined using the 10 year Stage 1A analysis, then the next capacity offered resource with the closest electrical proximity that does not cause any additional incremental 10 year Stage 1A infeasible MWs will be used as the replacement
Implementation Date	2016/2017 Planning Period	2016/2017 Planning Period	2016/2017 Planning Period