

DR Sell Offer Plans for Capacity Performance Transition Incremental Auctions

DR Participation in the Capacity Performance Transition Incremental Auctions

CSPs may offer Demand Resources that are Capacity Performance-capable into the upcoming 2016/2017 and 2017/2018 Capacity Performance Transition Auctions (“Transition Auctions”). Capacity Market Sellers are urged to thoroughly review the document entitled “Capacity Performance Transition Incremental Auctions - Rules, Schedule and Planning Parameters” prior to participating in the Transition Auctions.¹

CSPs that intend to offer DR as CP into one or both Transition Auctions must submit a DR Sell Offer Plan and DR Sell Offer Officer Certification for each Transition Auction for which the CSP intends to submit a sell offer **by no later than the end of the day on Friday, August 7.**² This document provides instructions for completing DR Sell Offer Plans using templates developed specifically for the Transition Auctions.³

Participation in the Transition Auctions is voluntary. DR that is capable of meeting the requirements of a CP resource may be offered as CP into the Transition Auctions for the purpose of replacing all or a portion of a Demand Resource’s current delivery year commitment with a CP commitment; DR may also be offered as CP into the Transition Auctions for the purpose of taking on a new delivery year commitment of CP.

DR Sell Offer Plan Template Instructions

This document provides instructions for completing DR Sell Offer Plans using templates developed specifically for the Transition Auctions.

CP Sell Offers intended to replace current Demand Resource commitments

Table 1 of the DR Sell Offer Plan template must be completed for DR that is offered into a Transition Auction with the intent to replace all or a portion of a Demand Resource’s current delivery year commitment with a CP commitment. A sample of Table 1 is shown below as completed for three Demand Resources for which the CSP intends to replace all or a portion of the resource’s current delivery year commitment with CP commitment. For DR that is offered into a Transition Auction with

¹ “Capacity Performance Transition Incremental Auctions - Rules, Schedule and Planning Parameters” document is located at: <http://www.pjm.com/~media/markets-ops/rpm/rpm-auction-info/2016-2018-cp-transition-incremental-auctions-rules-schedule-planning-parameters.ashx>

² Completed DR Sell Offer Plans and associated Sell Offer Officer Certification forms must be submitted to PJM at RPM_Hotline@pjm.com.

³ This DR Sell Offer Plan Instruction document and separate DR Sell Offer Plan templates for the 2016/2017 and 2017/2018 Transition Auctions are located under the “Sell Offer Plan Templates” sub-section of the “Capacity Market (RPM)” section of the PJM web site.

the intent to replace a current delivery year commitment, neither the “Planned DR Details” tab nor the “Schedule” tab of the DR Sell Offer Plan template need to be completed.

In Table 1, the CSP must identify: the Demand Resource (by resource name and resource ID as specified in eRPM), the LDA in which the Demand Resource is located, the capacity product type of the resource’s current commitment, and the resource’s current commitment level (in UCAP MW). This information, shown in green shading, can be downloaded directly from the "Resource Position - Demand Resource Detail" page of eRPM.⁴ In the last column of Table 1, the CSP specifies the UCAP MW quantity of the resource’s current UCAP MW commitment level that it intends to replace with a CP commitment should the associated CP Sell Offer clear in the Transition Auction. The “DR MW to be replaced by CP Commitment” UCAP MW quantity cannot exceed the resource’s current UCAP MW commitment level.

Table 1 - This table must be completed for CP Sell Offers intended to replace specified quantity of current Demand Resource commitment with CP Commitment

LDAName	ResourceID	ResourceName	ProductType	CommittedMW (UCAP MW)	DR MW to be replaced by CP Commitment (UCAP MW)**
RTO	9191919	CSPA DUQ DR LMT	Limited	18	2
ATSI-CLEVELAND	9191921	CSPA ATSI-C DR ANL	Annual	25	25
EMAAC	9191924	CSPA AECO DR ES	Summer Extended	5	3

The Table 1 sample above has been completed for three Demand Resources for which the CSP intends to offer DR as CP into the Transition Auction with the intent to replace all or a portion of the resource’s current delivery year commitment with CP commitment should the CP Sell Offer clear. The first Demand Resource, “CSPA DUQ DR LMT”, has a current delivery year commitment for Limited DR at a commitment level of 18 UCAP MW. The CSP has indicated in the last column of Table 1 that it intends to submit a sell offer into the Transition Auction for the purpose of replacing up to 2.0 UCAP MW of the resource’s current delivery year commitment level with up to 2.0 UCAP MW commitment as CP. If the Sell Offer fully clears the Transition Auction then the 2.0 UCAP MW commitment of CP receives the Transition Auction clearing price, and the resource’s current commitment for Limited DR is reduced by 2 UCAP MW. Rule #15 of the “Capacity Performance Transition Incremental Auctions - Rules, Schedule and Planning Parameters” document describes how existing delivery year commitments are reset for resource’s that have a current delivery year commitment that is partially or wholly replaced by a Transition Auction CP commitment.

⁴ To ensure timely review of DR Sell Offer Plans, it is critical that all required information is correct and complete; therefore, PJM strongly recommends that CSPs copy the information into Table 1 of the DR Sell Offer Plan directly from such a download.

