

eRPM Display of Resource Auction Results for CP Transition Auctions

Any MW quantity cleared by a resource in a Capacity Performance Transition Incremental Auction (“CP Transition Auction”) will first replace any existing Delivery Year commitment quantity that the resource may have obtained by clearing in prior auctions for the Delivery Year.¹ In order to replace a resource’s prior auction commitments for settlement purposes, and still preserve records of prior auction results for the resource, PJM has implemented the replacement of prior resource commitments in the eRPM system in the following manner:

- The CP Transition Auction Results for each resource will be displayed on the “Auction – Auction Results - Resource Offer Results” screen in eRPM.
- The replacement of prior auction commitments for each resource will be displayed as a negative MW quantity in Segment 11 on the “Auction – Auction Results - Resource Offer Results” screen for the prior auctions for which a commitment is replaced.
- Since a separate DR Resource is modeled for each capacity product type (i.e., Limited DR, Extended Summer DR, Annual DR and now CP DR) for the 2016/2017 and 2017/2018 Delivery Years, any MW quantity that a non-CP DR Resource clears in a CP Transition Auction is subsequently moved by PJM to a newly created CP DR Resource. For the non-CP DR Resource, the “Resource Offer Results” screen will show the quantity cleared on each sell offer segment, and will show a negative MW quantity in Segment 11 representing the total quantity that cleared on the resource in the CP Transition Auction. A corresponding positive MW quantity will be shown as a cleared sell offer Segment 11 of the new CP DR Resource on the “Resource Offer Results” screen in eRPM for the CP Transition Auction.

Example – A 100 MW generation resource clears 80 MW (UCAP) in the 2016/2017 CP Transition Auction. The resource had a prior 2016/2017 Delivery Year commitment of 90 MW (UCAP) obtained by clearing 90 MW in the 2016/2017 BRA. On the eRPM “Resource Offer Results” screen for the 2016/2017 CP Transition Auction, the resource owner will see that the resource cleared 80 MW as CP in the auction. On the eRPM “Resource Offer Results” screen for the 2016/2017 BRA, the resource owner will see that the resource cleared 90 MW (the original BRA commitment), and will also see that a cleared sell offer of negative 80 MW has been inserted into segment 11 of the BRA results. The BRA commitment is the sum of all cleared sell offer segments including segment 11, therefore, the updated BRA commitment for this resource is 10 MW, for which the BRA clearing price is applicable. The current position for this resource is:

- 80 MW CP commitment at the CP Transition Auction clearing price,

¹ Rule #15 of the “Capacity Performance Transition Incremental Auctions - Rules, Schedule and Planning Parameters” document describes how existing delivery year commitments are reset for resources that have a current delivery year commitment that is partially or wholly replaced by a Transition Auction CP commitment. This 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>.

- 10 MW Annual commitment at the BRA clearing price,
- 10 MW available, uncommitted

Additional Examples - Additional CP Transition Auction clearing and replacement scenarios are included on the following pages. Scenario 5 illustrates the clearing of a resource in a CP Transition Auction that was originally cleared by one party in a prior auction and subsequently sold to a second party via a unit-specific transaction (UST). Such a scenario requires the creation by PJM of a reverse UST from the new party to the original party in order to correctly reflect the conversion of the original auction commitment to CP.

Scenario 1: Clear in BRA, fully convert BRA Commitment in CP Transition Auction

| | Owned MW* | BRA Commitment MW* | 1st IA Commitment MW* | 2nd IA Commitment MW* | Available MW prior to CP Auction* | CP Transition Commitment MW* | Available MW after CP Auction* |
|---------------------|-----------|--------------------|-----------------------|-----------------------|-----------------------------------|------------------------------|--------------------------------|
| Resource A | 100 | 100 | 0 | 0 | 0 | 100 | |
| Segment 11 Updates: | | -100 | 0 | 0 | | | |
| Resulting Position | 100 | 0 | 0 | 0 | | 100 | 0 |

*MWs are in UCAP Terms

Scenario 2: Clear in BRA and Incremental Auctions, fully convert prior commitments in CP Transition Auction

| | Owned MW* | BRA Commitment MW* | 1st IA Commitment MW* | 2nd IA Commitment MW* | Available MW prior to CP Auction* | CP Transition Commitment MW* | Available MW after CP Auction* |
|---------------------|-----------|--------------------|-----------------------|-----------------------|-----------------------------------|------------------------------|--------------------------------|
| Resource B | 100 | 60 | 20 | 20 | 0 | 100 | |
| Segment 11 Updates: | | -60 | -20 | -20 | | | |
| Resulting Position | 100 | 0 | 0 | 0 | | 100 | 0 |

*MWs are in UCAP Terms

Scenario 3: Clear in BRA and Incremental Auctions, partially convert prior commitments in CP Transition Auction

| | Owned MW* | BRA Commitment MW* | 1st IA Commitment MW* | 2nd IA Commitment MW* | Available MW prior to CP Auction* | CP Transition Commitment MW* | Available MW after CP Auction* |
|---------------------|-----------|--------------------|-----------------------|-----------------------|-----------------------------------|------------------------------|--------------------------------|
| Resource C | 100 | 60 | 10 | 10 | 20 | 40 | |
| Segment 11 Updates: | | -30 | -5 | -5 | | | |
| Resulting Position | 100 | 30 | 5 | 5 | | 40 | 20 |

*MWs are in UCAP Terms

Scenario 4: Partially clear in BRA, fully clear in CP Transition Auction

| | Owned MW* | BRA Commitment MW* | 1st IA Commitment MW* | 2nd IA Commitment MW* | Available MW prior to CP Auction* | CP Transition Commitment MW* | Available MW after CP Auction* |
|---------------------------|---------------------|--------------------|-----------------------|-----------------------|-----------------------------------|------------------------------|--------------------------------|
| Resource D | 100 | 60 | 0 | 0 | 40 | 100 | 0 |
| | Segment 11 Updates: | -60 | | | | | |
| Resulting Position | 100 | 0 | 0 | 0 | | 100 | 0 |

*MWs are in UCAP Terms

Scenario 5: Receive Cleared MW via Bilateral Unit Specific Transaction, fully convert in CP Transition Auction

| | | Party A | | | Party B | | |
|----------------|--|-----------|--------------------|------------------------------|-----------|--------------------|------------------------------|
| | | Owned MW* | BRA Commitment MW* | CP Transition Commitment MW* | Owned MW* | BRA Commitment MW* | CP Transition Commitment MW* |
| Prior to CP TA | Resource E | 100 | 100 | 0 | 0 | 0 | 0 |
| | UST from Party A (Original Seller) to Party B (Original Buyer) | -100 | -100 | | 100 | 100 | |
| | Resulting Position (Prior to TA) | 0 | 0 | | 100 | 100 | |
| Post CP TA | Party B Converts BRA Commitment to CP in Transition Auction | | | | 100 | | 100 |
| | Segment 11 Updates (reflected in Seller's Portfolio): | | -100 | | | | |
| | UST from Party B to Party A (entered by PJM) | | 100 | | | -100 | |
| | Resulting Position (after TA) | 0 | 0 | 0 | 100 | 0 | 100 |

** In addition to Segment 11 entered, PJM created a Unit Specific Transaction for the amount of Converted Cleared UCP from the Buyer to the Seller