Unit Specific Market Seller Offer Cap Process for 2023/24 BRA

Updated for IMM 11/12/21 new EAS offset values

November 16th, 2021
Timeline

MSOC unit specific request due
10/1/21

11/5 - Seller notifies PJM of agreement or disagreement with IMM

PJM Issues determination
10/31/21
11/25/21

FERC approved Waiver to Delay
1/25/22

IMM issue determinations

BRA window opens

If Seller disagrees they must submit their requested price by 11/5 for evaluation
Seller notification process after IMM determination

• Seller should populate field in MIRA and send email to rpm_hotline@pjm.com and rpmacr@monitoringanalytics.com if they agree or disagree and the MSOC price to which the Seller commits by end of day 11/5.
  – If notification is not provided then the Seller will be subject to default Market Seller Offer Cap (default Gross ACR minus unit specific EAS offset).
• If Seller disagrees with IMM determination then provide Market seller offer cap (MSOC) price to which the Seller commits to PJM. Also, please provide the following information (as applicable).
  – By Gross ACR component (AMOL…CRF) or EAS offset.
    • Why Seller disagrees with IMM.
    • Reference to qualified supporting documentation that supports Seller requested value.
  – New information will only be evaluated by PJM if requested by PJM after 10/31.
    • All support information should be uploaded to MIRA.
Seller notification process after IMM determination

- PJM will determine whether to accept or reject the Seller committed MSOC price.
  - If PJM rejects, then Seller may use default (if available) or upon approval by PJM (and subject to FERC approval of PJM’s compliance filing) the IMM proposed price received by 10/31.
  - PJM will not calculate the MSOC price.
  - Seller may not modify the requested price sent to PJM after the deadline (11/5).
  - If PJM determines the Seller value submitted for any component is not supported then the Seller request will be denied.
    - For example, if PJM agrees with all components except for EAS offset then PJM will reject the Seller request.
Example – Seller disagreement with IMM determination
(send to PJM by 11/5)

<table>
<thead>
<tr>
<th>Type</th>
<th>Component</th>
<th>Reason item was rejected by IMM</th>
<th>Seller reason PJM should approve</th>
<th>Support Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity Cost</td>
<td>Gross ACR</td>
<td>Adjustment Factor</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Gross ACR</td>
<td>AOML</td>
<td>no support for % allocation</td>
<td>% allocation was supported</td>
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<tr>
<td></td>
<td>Gross ACR</td>
<td>AAE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gross ACR</td>
<td>AFAE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gross ACR</td>
<td>AME</td>
<td>Support documentation not provided</td>
<td>Support information was provided</td>
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<tr>
<td></td>
<td>Gross ACR</td>
<td>AVE</td>
<td></td>
<td></td>
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<tr>
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<td>Gross ACR</td>
<td>ATFI</td>
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<td></td>
<td>Gross ACR</td>
<td>ACC</td>
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<td>ACLE</td>
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<td>Gross ACR</td>
<td>ARPIR</td>
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<td></td>
<td>Gross ACR</td>
<td>APIR</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Gross ACR</td>
<td>CPQR</td>
<td>Officer Certification already provided</td>
<td>see MiRA, OfficCert.pdf</td>
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<td></td>
<td>Gross ACR</td>
<td>Other</td>
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<tr>
<td></td>
<td>EAS revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Avoidable Cost Rate = [Adjustment Factor * (AOML + AAE + AFAE + AME + AVE + ATFI + ACC + ACLE) + ARPIR + APIR + CPQR]

Ensure PJM understands the disagreement and why Seller request should be approved
IMM 11/12/21 updated EAS offset values and impact to PJM unit specific MSOC review process

- IMM updated the EAS offset value on 11/12:
  - After the 10/31/21 tariff deadline for the IMM to finalize their netACR values
  - After the 11/5/21 tariff deadline for Sellers to submit their requested netACR values if they disagree with the IMM determined netACR.

- Sellers that would like to use a unit specific netACR price with the 11/12/21 IMM determined EAS offset value should:
  - Request FERC to approve the netACR price determined after the tariff deadline. PJM requests that Seller indicates whether or not the IMM has agreed to the netACR price in the filing

- PJM will continue to evaluate the unit specific offers based on the netACR price submitted to PJM by the 11/5 deadline