



PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403-2497

Chenchao Lu
Associate General Counsel
T: (610)-500-3245
Chenchao.Lu@pjm.com

August 14, 2026

Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.,
Washington, D.C. 20426

Re: Supplemental Filing in PJM Interconnection, L.L.C., Docket No. ER26-3380-000

Dear Secretary Reese:

PJM Interconnection, L.L.C. (“PJM”) submits this supplemental affidavit of Danielle Croop to provide a more complete example of the selection process detailed in the June 30, 2026 affidavit. Specifically, it has come to PJM’s attention that the example provided in Exhibit 1 of Mrs. Croop’s June 30, 2026 affidavit did not accurately demonstrate the least cost selection by Delivery Year for offers submitted in the proposed Reliability Backstop Procurement. Therefore, to provide the Commission and any interested parties with a more fulsome example, PJM submits the attached supplemental affidavit that further demonstrates how PJM would select resource offers based on least costs while prioritizing in service dates during the selection process.

Notably, the supplemental affidavit merely updates the examples, also shown in redline, that were included in Mrs. Croop’s June 30, 2026 affidavit and does not revise or amend a proposed rate schedule, term, or condition. Indeed, the Commission has previously explained that “supplements d[o] not constitute an amendment because the supplements d[o] not change the proposed rates. . . .”¹ As a result, this supplemental affidavit does not reset the clock for the

¹ *Union Elec. Co.*, 181 FERC ¶ 61,064, at P 40 (2022) (finding that MISO’s supplements did not constitute an amendment because the supplements did not change the proposed rates that MISO filed).

Honorable Debbie-Anne A. Reese, Secretary

August 14, 2025

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Commission to act on PJM's June 30, 2026 filing as all parties were on notice of the proposed rates, terms and conditions based on the June 30, 2026 filing.² Accordingly, the Commission should continue to issue an order by the requested action date of September 29, 2026.

Respectfully submitted,

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W., Suite 600
Washington, D.C. 20005
(202) 423-4743 (phone)
(202) 393-7741 (fax)
Craig.Glazer@pjm.com

/s/ Chenchao Lu
Chenchao Lu
Associate General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
(610) 666-2255 (phone)
(610) 666-8211 (fax)
Chenchao.Lu@pjm.com

***Counsel for
PJM Interconnection, L.L.C.***

² *Sierra Pacific Power Co.*, 141 FERC ¶ 61,266, at P 39 (2012) (“Filings ... that do not revise a rate schedule, tariff, or service agreement, but instead only add or revise supplemental materials submitted as part of the application are considered on an individual basis to determine whether such changes are so significant that they would constitute an amendment”); *Miss. Power Co.*, 137 FERC ¶ 61,241, at P 23 (2011).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, PA, this 14th day of August 2026.

/s/ Chenchao Lu

Chenchao Lu

Associate General Counsel

PJM Interconnection, L.L.C.

2750 Monroe Blvd.

Audubon, PA 19403

Chenchao.Lu@pjm.com

Attachment A

**Supplemental Affidavit of Ms. Danielle Croop,
Senior Manager in the Market Design group of
PJM Interconnection, L.L.C.**

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.	)))	Docket No. ER26-3380-000
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**SUPPLEMENTAL AFFIDAVIT OF DANIELLE CROOP
ON BEHALF OF PJM INTERCONNECTION, L.L.C.**

1. My name is Danielle Croop, Senior Manager in the Market Design group for PJM Interconnection, L.L.C. (“PJM”). My business address is 2750 Monroe Blvd., Audubon, Pennsylvania, 19403. I am submitting this supplemental affidavit on behalf of PJM to provide a clarifying example that better illustrates all components of the commitment process which is: clearing in least-cost order while prioritizing earlier Delivery Years and constraining the commitment by the maximum willingness to pay.
2. The example submitted under Exhibit No 1 from my June 30, 2026 affidavit was focused on documenting the procurement approach of applying the maximum willingness to pay and demonstrating how that constraint can impact the procurement. However, in that example, the least cost selection by delivery year was not demonstrated.
3. This supplemental affidavit sponsors an updated exhibit, appended to my affidavit as Exhibit 1 to illustrate three simplified examples that help demonstrate how the Reliability Backstop Procurement selection process works. Separately, Exhibit 2 shows the redlines against the example that was originally included in my June 30, 2026 affidavit.
4. In addition, the explanation in Step 2 of the example submitted under Exhibit No 1 from my June 30, 2026 affidavit regarding the calculation of the MW-weighted average levelized cost incorrectly inverted the numerator and denominator. The explanation has been revised in this supplemental affidavit to accurately reflect the MW-weighted average levelized cost calculation set forth in the filing letter and proposed tariff revisions.

Exhibit 1

Appendix to Affidavit of Ms. Danielle Croop

Examples Demonstrating RBP Resource Procurement Process

(Clean Version)

EXHIBIT 1

Examples Demonstrating RBP Resource Procurement Process

In this example, each RBP Resource Sell Offer will include an offer price and MW quantity pair for each Delivery Year beginning with the first year the resource is expected to reach commercial operation. PJM will then determine the “levelized procurement cost” for this resource to use in the selection process.¹ This will be done with the Levelized Cost equation, with a discount rate equal to 9.5% after-tax average weighted average cost of capital (“ATWACC”).

Levelized Cost (\$/MW-day) = Net Present Value (RBP Sell Offer price x UCAP offered)/Net Present Value (UCAP offered)

Example 1

In the example below, Unit A offers at a price and a quantity for each Delivery Year of the 15-year fixed term, beginning in Year 1 and ending in Year 15. This Offer has a levelized procurement cost of \$101.05/MW-day UCAP and a levelized MW value of 69.3 MW.

Example 1: Unit A, \$/MW Offer per Year

Unit A	Price (\$)	MW
Year 1	91	10
Year 2	91	10
Year 3	100	9
Year 4	100	9
Year 5	100	9
Year 6	100	9
Year 7	100	9
Year 8	110	8
Year 9	110	8
Year 10	110	8

¹ Proposed Tariff, Attachment DD, section 18.5(f)(ii); Croop Aff. ¶ 29.

Year 11	110	8
Year 12	110	8
Year 13	110	8
Year 14	110	8
Year 15	110	8

Example 2

Example 2 walks through how a set of offers are evaluated based on ranked Delivery Year and levelized cost for selection. The selection process is also constrained to the maximum willingness to pay of the procurement. For illustrative purposes, rather than a maximum willingness to pay of \$555/MW-day as PJM is proposing to use for the RBP, we assume that the maximum willingness to pay is \$100/MW-day, and the Final RBP Target for procurement is 6,800 MW.

Table 1 illustrates the UCAP MW offered through the first four Delivery Years and a represented levelized cost offer for this resource. Table 1, below, tracks the MW that are procured to determine when PJM satisfies the procurement target of 6,800 MW.

Table 1: Table updates include switch Offer 1 and 2 to reflect offers in rank-order for selection and Offer 3 was updated to offer starting in the 2028/29 DY.

	2028/29	2029/30	2030/31	2031/32	Levelized Cost Offer
Offer 1	500	450	450	400	\$50
Offer 2	3,000	3,000	2,800	2,800	\$100
Offer 3	400	400	500	500	\$200
Offer 4		2,000	1,900	2,000	\$50
Offer 5		900	1,000	1,000	\$90
Offer 6			150	150	\$300
Offer 7				200	\$300
Offer 8				200	\$300

Table 2 shows the offers in greater detail in determining the present value and levelized cost of the offers. For each RBP Resource offer (Offers 1-8), there are three procurement values in the NPV column. The first value for each RBP Resource offer is the levelized MW UCAP. The second value is the levelized cost, expressed as \$/MW-day. And the third value is the total revenue cost stream based on the RBP Resource's levelized MW and cost.

Table 2

		2028/29	2029/30	2030/31	2031/32	NPV
Offer 1	MW UCAP	500	450	450	400	1,453
	\$/MW-Day	\$50	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$25,000	\$22,500	\$22,500	\$20,000	\$72,645
Offer 2	MW UCAP	3,000	3,000	2,800	2,800	9,322
	\$/MW-Day	\$100	\$100	\$100	\$100	\$100
	Revenue Cost Stream	\$300,000	\$300,000	\$280,000	\$280,000	\$932,200
Offer 3	MW UCAP	400	400	500	500	1,428
	\$/MW-Day	\$200	\$200	\$200	\$200	\$200
	Revenue Cost Stream	\$80,000	\$80,000	\$100,000	\$100,000	\$285,503
Offer 4	MW UCAP	-	2,000	1,900	2,000	4,506
	\$/MW-Day	\$0	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$0	\$100,000	\$95,000	\$100,000	\$225,316
Offer 5	MW UCAP	-	900	1,000	1,000	2,208
	\$/MW-Day	\$0	\$90	\$90	\$90	\$90
	Revenue Cost Stream	\$0	\$81,000	\$90,000	\$90,000	\$198,705
Offer 6	MW UCAP	-	-	150	150	219
	\$/MW-Day	\$0	\$0	\$300	\$300	\$300
	Revenue Cost Stream	\$0	\$0	\$45,000	\$45,000	\$65,575
Offer 7	MW UCAP	-	-	-	200	139
	\$/MW-Day	\$0	\$0	\$0	\$300	\$300
	Revenue Cost Stream	\$0	\$0	\$0	\$60,000	\$41,734
Offer 8	MW UCAP	-	-	-	200	139
	\$/MW-Day	\$0	\$0	\$0	\$300	\$300
	Revenue Cost Stream	\$0	\$0	\$0	\$60,000	\$41,734

The procurement process will prioritize earlier Delivery Years, while being constrained to the fixed-budget maximum willingness to pay. This can result in: (1) an earlier Delivery Year resource being skipped if it will violate the maximum willingness to pay constraint; (2) a procurement of that resource later in the process, even if the resource was previously skipped, if procurement of a lower-priced resource creates additional cost headroom in the budget; and/or (3) a possibility that PJM will not procure the exact Final RBP Target quantity if doing so violates the maximum willingness to pay constraint. These features are demonstrated below in the selection sequencing example:

Step 1: Procure Offer 1. Offer 1 would be procured first in the commitment, given it has the cheapest levelized cost in the delivery year. This will add the below MW value to the target for each Delivery Year, with a MW-weighted average levelized costs of \$50.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Total Offered	500	450	450	400

Step 2: Procure Offer 2. This will increase our procurement by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$93.26.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Total Offered	3,500	3,450	3,250	3,200

The MW-weighted average levelized cost of \$93.26 can be calculated from the PV column in Table 2 as the sum of Revenue cost stream / sum of levelized MW. $[932,200 + 72,645] / [9,322 + 1,453]$.

Step 3: Skip Offer 3. If Offer 3 was selected the MW-weighted average levelized cost would rise to \$105.75, above the maximum willingness to pay of \$100 MW/day.

Step 4: Procure Offer 4. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$80.50.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 4		2,000	1,900	2,000
Total Offered	3,500	5,450	5,150	5,200

Step 5: Procure Offer 3. Offer 3 may now be procured while keeping the MW-weighted average levelized cost under the maximum willingness to pay. Thus, the procurement will prioritize and commit this resource with an earlier first Delivery Year. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$90.71.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Total Offered	3,900	5,850	5,650	5,700

Step 6: Procure Offer 5. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$90.63.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Offer 5		900	1,000	1,000
Total Offered	3,900	6,750	6,650	6,700

Step 7: Procure Offer 6. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$93.02.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Offer 5		900	1,000	1,000
Offer 6			150	150
Total Offered	3,900	6,750	6,800	6,850

At this point, the final target MW of 6,800 has been committed and the procurement is complete. Offer 7 and 8 would not be procured through the RBP.

Example 3

In Example 3, the selection clears short of the Final RBP Target to maintain the maximum willingness to pay. This example relies on the same example as above, except that offer prices for Offers 6, 7, and 8 are dramatically increased.

Table 3

		2028/29	2029/30	2030/31	2031/32	NPV
Offer 1	MW UCAP	500	450	450	400	1,453
	\$/MW-Day	\$50	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$25,000	\$22,500	\$22,500	\$20,000	\$72,645
Offer 2	MW UCAP	3,000	3,000	2,800	2,800	9,322
	\$/MW-Day	\$100	\$100	\$100	\$100	\$100
	Revenue Cost Stream	\$300,000	\$300,000	\$280,000	\$280,000	\$932,200
Offer 3	MW UCAP	400	400	500	500	1,428
	\$/MW-Day	\$200	\$200	\$200	\$200	\$200
	Revenue Cost Stream	\$80,000	\$80,000	\$100,000	\$100,000	\$285,503
Offer 4	MW UCAP	-	2,000	1,900	2,000	4,506
	\$/MW-Day	\$0	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$0	\$100,000	\$95,000	\$100,000	\$225,316
Offer 5	MW UCAP	-	900	1,000	1,000	2,208
	\$/MW-Day	\$0	\$90	\$90	\$90	\$90
	Revenue Cost Stream	\$0	\$81,000	\$90,000	\$90,000	\$198,705
Offer 6	MW UCAP	-	-	150	150	219
	\$/MW-Day	\$0	\$0	\$1,500	\$1,500	\$1,500
	Revenue Cost Stream	\$0	\$0	\$225,000	\$225,000	\$327,876
Offer 7	MW UCAP	-	-	-	200	139
	\$/MW-Day	\$0	\$0	\$0	\$1,500	\$1,500
	Revenue Cost Stream	\$0	\$0	\$0	\$300,000	\$208,672
Offer 8	MW UCAP	-	-	-	250	174
	\$/MW-Day	\$0	\$0	\$0	\$2,000	\$2,000
	Revenue Cost Stream	\$0	\$0	\$0	\$500,000	\$347,787

The procurement process runs through Steps 1 through 6, as described in Example 2, above. Then, following Step 6, the process begins to differ:

Step 6: Procure Offer 5, as in Example 2. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$90.63.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Offer 5		900	1,000	1,000
Total Offered	3,900	6,750	6,650	6,700

At this point, Offers 6, 7 and 8 cannot be procured without violating the maximum willingness to pay constraint. If Offer 6 were selected, the MW-weighted average levelized cost would rise to \$106.73, which is above the maximum willingness to pay of \$100 MW/day. Similar violations of the maximum willingness to pay for Offers 7, and 8 would occur. Given that, in this example, there are no additional offers to consider, the procurement would clear 100 MW short the target, with the maximum UCAP MW procured equal to 6,700 MW for the 2031/32 Delivery Year.

Exhibit 2

Appendix to Affidavit of Ms. Danielle Croop

Examples Demonstrating RBP Resource Procurement Process

(Redlined Version)

Examples Demonstrating RBP Resource Procurement Process

The following examples are intended to demonstrate how RBP Resources will be procured based on a maximum willingness to pay, defined as a “MW-weighted average of the levelized procurement cost” for the RBP, and selected through a “budget approach.”¹

In this example, Each RBP Resource Sell Offer will include an offer price and MW quantity pair for each Delivery Year beginning with the first year the resource is expected to reach commercial operation. PJM will then determine the “levelized procurement cost” for this resource to use in the selection process.² This will be done with the Levelized Cost equation, with a discount rate equal to 9.5% after-tax average weighted average cost of capital (“ATWACC”).

$$\text{Levelized Cost (\$/MW-day)} = \frac{\text{Net Present Value (RBP Sell Offer price x UCAP offered)}}{\text{Net Present Value (UCAP offered)}}$$

Example 1

In the example below, Unit A offers at a price and a quantity for each Delivery Year of the 15-year fixed term, beginning in Year 1 and ending in Year 15. This Offer has a levelized procurement cost of \$101.~~0550~~/MW-day UCAP and a levelized MW value of 69.3 MW.

¹ ~~Proposed Tariff, Attachment DD, section 18.5(f)(ii); Croop Aff. ¶ 29.~~

² Proposed Tariff, Attachment DD, section 18.5(f)(ii); Croop Aff. ¶ 29.

Example 1: Unit A, \$/MW Offer per Year

Unit A	Price (\$)	MW
Year 1	91	10
Year 2	91	10
Year 3	100	9
Year 4	100	9
Year 5	100	9
Year 6	100	9
Year 7	100	9
Year 8	110	8
Year 9	110	8
Year 10	110	8
Year 11	110	8
Year 12	110	8
Year 13	110	8
Year 14	110	8
Year 15	110	8

Example 2

Example 2 walks through how a set of offers are evaluated based on ranked Delivery Year and levelized cost for selection. The selection process is also constrained to the maximum willingness to pay of the procurement. For illustrative purposes, rather than a maximum willingness to pay of \$555/MW-day as PJM is proposing to use for the RBP, we assume that the maximum willingness to pay is \$100/MW-day, and the Final RBP Target for procurement is 6,800 MW.

Table 1 illustrates the UCAP MW offered through the first four Delivery Years and a represented levelized cost offer for this resource. Table 1, below, tracks the MW that are procured to determine when PJM satisfies the procurement target of 6,800 MW.

Table 1: Table updates include switch Offer 1 and 2 to reflect offers in rank-order for selection and Offer 3 was updated to offer starting in the 2028/29 DY.

	2028/29	2029/30	2030/31	2031/32	Levelized Cost Offer
Offer 1	500	450	450	400	\$50
Offer 2	3,000	3,000	2,800	2,800	\$100
Offer 3	400	400	500	500	\$200
Offer 4		2,000	1,900	2,000	\$50
Offer 5		900	1,000	1,000	\$90
Offer 6			150	150	\$300
Offer 7				200	\$300
Offer 8				200	\$300

Table 2 shows the offers in greater detail in determining the present value and levelized cost of the offers. For each RBP Resource offer (Offers 1-8), there are three procurement values in the NPV column. The first value for each RBP Resource offer is the levelized MW UCAP. The second value is the levelized cost, expressed as \$/MW-day. And the third value is the total revenue cost stream based on the RBP Resource's levelized MW and cost.

Table 2

		2028/29	2029/30	2030/31	2031/32	NPV
Offer 1	MW UCAP	500	450	450	400	1,453
	\$/MW-Day	\$50	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$25,000	\$22,500	\$22,500	\$20,000	\$72,645
Offer 2	MW UCAP	3,000	3,000	2,800	2,800	9,322
	\$/MW-Day	\$100	\$100	\$100	\$100	\$100
	Revenue Cost Stream	\$300,000	\$300,000	\$280,000	\$280,000	\$932,200
Offer 3	MW UCAP	400	400	500	500	1,428
	\$/MW-Day	\$200	\$200	\$200	\$200	\$200
	Revenue Cost Stream	\$80,000	\$80,000	\$100,000	\$100,000	\$285,503
Offer 4	MW UCAP	-	2,000	1,900	2,000	4,506
	\$/MW-Day	\$0	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$0	\$100,000	\$95,000	\$100,000	\$225,316
Offer 5	MW UCAP	-	900	1,000	1,000	2,208
	\$/MW-Day	\$0	\$90	\$90	\$90	\$90
	Revenue Cost Stream	\$0	\$81,000	\$90,000	\$90,000	\$198,705
Offer 6	MW UCAP	-	-	150	150	219
	\$/MW-Day	\$0	\$0	\$300	\$300	\$300
	Revenue Cost Stream	\$0	\$0	\$45,000	\$45,000	\$65,575
Offer 7	MW UCAP	-	-	-	200	139
	\$/MW-Day	\$0	\$0	\$0	\$300	\$300
	Revenue Cost Stream	\$0	\$0	\$0	\$60,000	\$41,734
Offer 8	MW UCAP	-	-	-	200	139
	\$/MW-Day	\$0	\$0	\$0	\$300	\$300
	Revenue Cost Stream	\$0	\$0	\$0	\$60,000	\$41,734

The procurement process will prioritize earlier Delivery Years, while being constrained to the fixed-budget maximum willingness to pay. This can result in: (1) an earlier Delivery Year resource being skipped if it will violate the maximum willingness to pay constraint; (2) a procurement of that resource later in the process, even if the resource was previously skipped, if procurement of a lower-priced resource creates additional cost headroom in the budget; and/or (3) a possibility that PJM will not procure the exact Final RBP Target quantity if doing so violates the maximum willingness to pay constraint. These features are demonstrated below in the selection sequencing example:

Step 1: Procure Offer 1. Offer 1 would be procured first in the commitment, given it has the cheapest levelized cost in the delivery year. This will add the below MW value to the target for each Delivery Year, with a MW-weighted average levelized costs of \$50-\$100.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Total Offered	500	450	450	400

Step 2: Procure Offer 2. This will increase our procurement by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$93.26.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Total Offered	3,500	3,450	3,250	3,200

The MW-weighted average levelized cost of \$93.26 can be calculated from the PV column in Table 2 as the ~~sum of levelized MW~~ / sum of Revenue cost stream / sum of levelized MW.
~~[9,322+1,453]/[932,200 + 72,645]~~ / [9,322+1,453].

Step 3: Skip Offer 3. If Offer 3 was selected the MW-weighted average levelized cost would rise to \$105.75 ~~\$102.84~~, above the maximum willingness to pay of \$100 MW/day.

Step 4: Procure Offer 4. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$80.50.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 4		2,000	1,900	2,000
Total Offered	3,500	5,450	5,150	5,200

Step 5: Procure Offer 3. Offer 3 may now be procured while keeping the MW-weighted average levelized cost under the maximum willingness to pay. Thus, the procurement will

prioritize and commit this resource with an earlier first Delivery Year. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$90.71 ~~\$88.27~~.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Total Offered	3,900	5,850	5,650	5,700

Step 6: Procure Offer 5. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$90.63 ~~\$88.47~~.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Offer 5		900	1,000	1,000
Total Offered	3,900	6,750	6,650	6,700

Step 7: Procure Offer 6. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$93.02 ~~\$90.94~~.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Offer 5		900	1,000	1,000
Offer 6			150	150
Total Offered	3,900	6,750	6,800	6,850

At this point, the final target MW of 6,800 has been committed and the procurement is complete.
Offer 7 and 8 would not be procured through the RBP.

Example 3

In Example 3, the selection clears short of the Final RBP Target to maintain the maximum willingness to pay. This example relies on the same example as above, except that offer prices for Offers 6, 7, and 8 are dramatically increased.

Table 3

		2028/29	2029/30	2030/31	2031/32	NPV
Offer 1	MW UCAP	500	450	450	400	1,453
	\$/MW-Day	\$50	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$25,000	\$22,500	\$22,500	\$20,000	\$72,645
Offer 2	MW UCAP	3,000	3,000	2,800	2,800	9,322
	\$/MW-Day	\$100	\$100	\$100	\$100	\$100
	Revenue Cost Stream	\$300,000	\$300,000	\$280,000	\$280,000	\$932,200
Offer 3	MW UCAP	400	400	500	500	1,428
	\$/MW-Day	\$200	\$200	\$200	\$200	\$200
	Revenue Cost Stream	\$80,000	\$80,000	\$100,000	\$100,000	\$285,503
Offer 4	MW UCAP	-	2,000	1,900	2,000	4,506
	\$/MW-Day	\$0	\$50	\$50	\$50	\$50
	Revenue Cost Stream	\$0	\$100,000	\$95,000	\$100,000	\$225,316
Offer 5	MW UCAP	-	900	1,000	1,000	2,208
	\$/MW-Day	\$0	\$90	\$90	\$90	\$90
	Revenue Cost Stream	\$0	\$81,000	\$90,000	\$90,000	\$198,705
Offer 6	MW UCAP	-	-	150	150	219
	\$/MW-Day	\$0	\$0	\$1,500	\$1,500	\$1,500
	Revenue Cost Stream	\$0	\$0	\$225,000	\$225,000	\$327,876
Offer 7	MW UCAP	-	-	-	200	139
	\$/MW-Day	\$0	\$0	\$0	\$1,500	\$1,500
	Revenue Cost Stream	\$0	\$0	\$0	\$300,000	\$208,672
Offer 8	MW UCAP	-	-	-	250	174
	\$/MW-Day	\$0	\$0	\$0	\$2,000	\$2,000
	Revenue Cost Stream	\$0	\$0	\$0	\$500,000	\$347,787

The procurement process runs through Steps 1 through ~~6~~5, as described in Example 2, above.
Then, ~~starting following in~~ Step 6, the process begins to differ:

Step 6: Procure Offer 5, as in Example 2. This will increase the procured MW by the offered MW for each applicable Delivery Year, and result in a MW-weighted average levelized cost of \$90.63~~\$88.47~~.

	28/29	29/30	30/31	31/32
Offer 1	500	450	450	400
Offer 2	3,000	3,000	2,800	2,800
Offer 3	400	400	500	500
Offer 4		2,000	1,900	2,000
Offer 5		900	1,000	1,000
Total Offered	3,900	6,750	6,650	6,700

At this point, Offers 6, 7 and 8 cannot be procured without violating the maximum willingness to pay constraint. If Offer 6 were selected, the MW-weighted average levelized cost would rise to \$106.73 ~~\$104.91~~, which is above the maximum willingness to pay of \$100 MW/day. Similar violations of the maximum willingness to pay for Offers 7, and 8 would occur. Given that, in this example, there are no additional offers to consider, the procurement would clear 100 MW short the target, with the maximum UCAP MW procured equal to 6,700 MW for the 2031/32 Delivery Year.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.

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Docket No. ER26-3380-000

VERIFICATION

I, Danielle Croop, pursuant to 28 U.S.C. § 1746, state, under penalty of perjury, that I am the Danielle Croop referred to in the foregoing document entitled “Affidavit of Danielle Croop, on Behalf of PJM Interconnection, L.L.C.,” that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

/s/ *Danielle Croop*
Danielle Croop
Sr. Manager
Market Design
PJM Interconnection, L.L.C.