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# Education on Removal of Generation Capacity Resource Status

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- In 2018, a member brought forward an issue to investigate:
  - Potential reforms to the RPM must offer exception process
  - Development of a process for generation capacity resources to become energy-only
- As part of this issue, a process to voluntarily request removal of Capacity Resource status from an Existing Generation Capacity Resource was developed with stakeholders
  - Closely tracked the RPM must offer exception process for units that are deactivating; Process timing anchored to RPM auctions for the relevant Delivery Year
  - FERC filing made in July 2019 (Docket No. ER19-2417), with an order accepting changes in September 2019

# Process for Voluntary Removal of Generation Capacity Resource Status

- Capacity Market Seller initiates the process with a preliminary, and then final, written request to PJM and the IMM
  - Requests submitted to PJM via email to the [rpm\\_hotline@pjm.com](mailto:rpm_hotline@pjm.com) and to the IMM through the MIRA application
  - **Preliminary request** must identify the resource and MW, applicable Delivery Year of the status change, and include supporting data and documentation
    - Deadline to submit is September 1st prior to a Base Residual Auction (BRA), or 240 days prior for an Incremental Auction (IA)
  - **Final request** to confirm or withdraw the preliminary request
    - Deadline to submit is December 1st prior to BRA, or 120 days prior to IA
- PJM publicly posts the preliminary and final requested MW on an aggregate basis by zone and sub-zonal LDA

# Process for Voluntary Removal of Generation Capacity Resource Status (cont'd)

- IMM reviews the requests for potential market power concerns
  - IMM provides determination by 90 days prior to auction
  - If market seller disagrees, must notify IMM and PJM by 80 days prior to auction
- PJM, considering advice and input from the IMM, makes final determination
  - Provides determination by 65 days prior to auction
  - PJM will not accept requests for resources that hold a capacity commitment for the applicable Delivery Year(s)

## Approved Requests

- Capacity model is updated to reflect the status change and the resource is no longer eligible to offer in auctions or take on commitments for the applicable Delivery Year(s)
- The Capacity Interconnection Rights (CIRs) of the resource are subject to termination in a manner consistent with a deactivating unit
  - CIRs lost one year from the effective date of the status change if not re-used in queue

Activity	Deadline
Preliminary request for Capacity Resource status change	Sept 1 prior to BRA, 240 days prior to IA
Final request for Capacity Resource status change	Dec 1 prior to BRA, 120 Days prior to IA
IMM provides determination on status change request	90 days prior to auction
Capacity Market Sellers notifies of any disagreement	80 days prior to auction
PJM provides determination on status change request	65 days prior to auction

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## **MIC Special Session - Behind the Meter Generation Business Rules on Status Changes**



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