



# Clean-up Changes to Incremental Auction Purchase & Sell Back

GDECS

October 2, 2015

- PJM intended it would release, in its Scheduled Incremental Auctions for the 2016/2017 and 2017/2018 Delivery Years, any annual capacity obtained to the extent new capacity was procured through the Capacity Performance Transition Incremental Auctions ("Transition Auctions")
  - annual = non-Capacity Performance
  - new = not previously committed
    - 16/17 Transition Auction ~ new 4,200 MWs
    - 17-18 Transition Auction ~ new 10,000 MWs

- FERC's CP Order contemplated this
  - *“We note that, under PJM’s existing rules, PJM is required to sell-back capacity in its Incremental Auctions in the Under PJM’s proposal, this existing requirement will remain in place. Accordingly, we interpret this provision to require PJM to sell back any excess capacity resources – specifically what will be identified as Base Capacity Resources in future auctions – in the appropriate Incremental Auction if the load forecast is adjusted downward.”* (151 FERC ¶61,208 at P 254 (2015))
- PJM’s current Tariff provisions, however, do not allow for such release of capacity

- PJM proposes minor changes to its Tariff language to take into account any changes in capacity due to the Transition Auctions (which are covered in Attachment DD, §5.14D), just as it takes into account changes in capacity due to other transition mechanisms in §§ 5.14B, C, and E.

- PJM seeks to have the tariff change effective in time for the 3<sup>rd</sup> IA for the 2016/2017 DY – occurs in Feb 2016
- PJM proposes making a tariff filing first week in Dec 2015
  - Reviewed at Oct 1 MRC
  - MRC endorsement on Oct 22
  - Seek MC endorsement in Nov