

## RPM Incremental Auction PJM Sales

*Includes Problem/Opportunity Statement*

### **Problem Statement**

As attached

### **Issue Source**

Direct Energy

### **Stakeholder Group Assignment**

Senior Task Force Chartered by Markets and Reliability Committee

### **Key Work Activities**

- 1) Review PJM RPM Incremental Auction process and structure with specific focus on circumstances where PJM is a capacity seller. The review should look at the general structure of the RPM Incremental Auctions including but not limited to the number of incremental auctions, timing of incremental auctions, and PJM participation in incremental auctions. Nothing is intended to affect the rules regarding offers made by individual market sellers.
- 2) Review historic results of Incremental Auctions with specific focus on the impact of PJM capacity sales
- 3) Review reliability value of excess capacity based on tail risk operational events or other drivers, as well as other benefits of retaining excess capacity
- 4) Discuss the development of regularly reported metrics to reflect the profitability of buying back BRA capacity commitments in IAs
- 5) Review the excess capacity sale and Incremental Auction (or equivalent construct) practices of other RTOs/ISOs
- 6) Discuss whether modifications are required to PJM Incremental Auction processes in consideration of items 1-5

### **Expected Deliverables**

- 1) If needed and as appropriate, revisions to PJM Tariff Attachment DD – Reliability Pricing Model, Capacity Market Manual



### **Expected Overall Duration of Work**

The work on this issue is expected to be completed within 6 to 9 months.

### **Decision-Making Method**

Tier 1, consensus (unanimity) on a single proposal