

Suggested Friendly Amendment to Market Suspension OA language

Goal: to ensure that if a resource's cost offers in the PJM systems become inaccurate – perhaps because Markets Gateway is also down so market participants cannot update them – then the OA provides an avenue for market sellers to be made whole to their actual costs incurred for running during a market suspension.

Suggested new language underlined and highlighted:

During a Market Suspension where the suspension is less than or equal to six (6) hours, which may span multiple market days, or greater than six (6) consecutive hours when Day-ahead Prices are available, the Office of the Interconnection shall utilize current rules in Operating Agreement, Schedule 1, Section 3.2.3 for calculating Operating Reserves. If the Market Suspension is greater than six (6) consecutive hours and there are no Day-ahead Prices available, the Office of the Interconnection shall utilize the most current listed cost-based offer within the applicable PJM tools for the hours corresponding to this suspension interval for calculating Operating Reserves. If a Market Seller of a resource is required to submit market-based and cost-based offers below their actual fuel or other incremental or variable costs to comply with a Commission-approved requirement, or if the Market Seller's most current listed cost-based offer within the applicable PJM tools becomes inaccurate (for example, because of changing fuel costs and the inability to update Markets Gateway) during the period of the market suspension, then the Market Seller of such a resource may apply to recover actual fuel or other incremental or variable costs under the following conditions:

(i) such costs are clearly defined in the relevant approved Fuel Cost Policy prior to the Market Suspension event, where the Market Seller is either using a PJM-approved Fuel Cost Policy or the temporary cost offer methodology in accordance with Operating Agreement, Schedule 2, and

(ii) an updated cost-based schedule that reflects the resource's actual costs is submitted no later than five (5) Business Days after the end of the Market Suspension.