

### External Capacity Resource Clearing

#### Problem / Opportunity Statement

- Pseudo-tied capacity resources (external capacity resources) generation deliverability into PJM Reliability Pricing Model (RPM) must be demonstrated prior to the start of the DY. To demonstrate generation deliverability into PJM, external capacity resources must obtain firm point to point transmission service on the PJM OASIS from the PJM border into the PJM transmission system or by obtaining network external designated transmission service.
- External resources are not assigned to a Locational Deliverability Area (LDA) or any of the sub-zonal LDAs. PJM's current RPM practice is to model and clear external resources only in the rest of RTO and not the reliability requirements of any specific LDA. This practice is currently not documented in PJM Manual 18.
- Under the current RPM business rules, however, external capacity resources are assigned to a LDA for Non-Performance Assessment purposes. This LDA assignment is made by PJM before the start of the Delivery Year (DY). This Non-Performance Assessment LDA assignment does not necessarily align with the transmission pathway and the rest of RTO clearing price award.
- There is an opportunity to review certain existing provisions pertaining to external capacity resources to determine if there are modifications that would better align the external capacity resource transmission pathway with external capacity resource LDA modeling, the applicable sink LDA used in RPM clearing, and resource performance obligations and mapping. Such mismatches are particularly harmful to Load Serving Entities self-supplying resources to serve load.
- The accompanying Issue Charge provides an initial list of relevant tariff/manual provisions including Manual 18, sections 4.2.4, 4.6.4; Tariff, Attachment DD, Section 5.14(a) (addressing the requirement of a resource needing to be located in an LDA to be paid the LDA clearing price) and PJM Manual 14B, attachment C (addressing LDA area, relevant transmission system and definition of connected load and generation).