

4.6.6 Auction Specific MW Transactions

RPM Market Participants have the ability to report Auction Specific MW Transactions to PJM through the eRPM system. Auction Specific MW Transactions must be for the transfer of physical MW of capacity from a seller to a buyer at the location of the physical resources identified as supplying the transaction.

The following are business rules that apply to Auction-Specific MW Transactions:

Auction Specific MW Transactions are not eligible to be offered in an RPM auction.

Auction Specific MW Transactions for a Delivery Year may be submitted following the completion of the RPM auction to which the transaction applies.

Both the Buyer and the Seller of Auction Specific MW Transaction must confirm the Auction Specific MW Transaction via the eRPM system before the start date of the Delivery Year.

An Auction Specific MW Transaction must specify the buyer, seller, start and end dates of the transaction.

The Seller of the Auction Specific MW must also specify the resource(s) (generation resource, demand resource, energy efficiency resource, ~~or aggregate resource~~), Auction Type (Base, First, Second, Third, Conditional, or Transitional), Product Type for 2018/2019 & 2019/2020 Delivery Year (Base Generation, Base DR/EE or Capacity Performance) and the MW amount of Auction Specific MW to be transacted from each resource. PJM will verify that the MW of capacity from each of the resources identified as supplying the Auction Specific MW Transaction have cleared in an RPM auction and that at least the MW of cleared capacity indicated for each resource is not committed in any other bilateral transactions. If such sufficient cleared capacity does not exist on any of the indicated resources, PJM will reject reporting of the transaction.

Auction Specific MW Transactions transfer the capacity rights of the cleared capacity from the Seller to the Buyer. PJM will verify that those capacity rights are not resold by the Seller in a future bilateral transaction by tracking the Seller's remaining capacity rights for each resource identified in the Auction Specific MW Transaction.

Auction Specific MW Transactions must be reported on an annual basis prior to each Delivery Year, therefore, the start and end date of the transaction must correspond to a Delivery Year.

Auction Specific MW Transactions are priced at the weighted average of the Resource Clearing Prices from the RPM auctions in which the MW from the units supplying the transaction cleared.

The smallest increment that may be transacted through an Auction Specific MW Transaction is 0.1 MW.

The Seller of the Auction Specific MW is subject to all applicable resource performance ~~assessments~~charges, including Capacity Resource Deficiency Charges and Non-Performance Charges.

The Buyer of the Auction Specific MW ~~may~~ will receive ~~any~~ Capacity Performance bonus credits related to the resource(s) identified in the transaction that over-perform during a Performance Assessment Hour. The Buyer's share of bonus credits for each over-performing resource will be based on the ratio of the resource's cleared MWs (in UCAP) transferred in the Auction Specific MW Transaction to the greater of (a) resource's cleared UCAP transferred or (b) Seller's daily Owned UCAP position for such resource.

The Buyer will indemnify PJM Settlement, the LLC, and the Members for any failure by the Seller of the Auction Specific MW transaction to pay deficiency penalties and charges owed to PJM Settlement and associated with the capacity that is the basis of the Auction Specific MW transaction.

PJM reserves the right under the PJM Operating Agreement and PJM Open Access Transmission Tariff, to deny reporting of Auction Specific MW Transactions in the event one of the parties fails to meet any requirements for such reporting.

The Seller of an Auction Specific MW Transaction will receive a charge equal to the transaction amount (in MW) times the price associated with in the transaction.

The Buyer of an Auction Specific MW Transaction will receive a credit equal to the transaction amount (in MW) times the price associated with the transaction.

The resource(s) transferred to the Buyer in an Auction Specific MW Transaction cannot be subsequently resold in another bilateral transaction by the Buyer during the effective time period of the transaction.