Market Suspension Tariff/OA Revisions

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- Purpose of Tariff/OA updates:

  – Provide clear business rules in PJM markets to account for a Market Suspension where PJM cannot clear or produce market results

- Updates to following sections:

  – Definitions - L – M – N

  – 1.10.8(d)

  – 1.11.6

  – 2.5.2

  – 2.6.1

  – 3.2.2, 3.2.3, 3.2.3A, 3.2.3A.001, 3.2.3A.01

  – 5.2.3, 5.2.7

  – 5.6.1

  – 6.4.1

  – 7.3.8

  – 14B.1(d)

- Proposed OA redline revisions include identical corresponding Tariff revisions

- Yellow highlighted text represents language pertaining to Reserve Price Formation (RPF)

  – RPF language was effective 10/1/2022

- Added definition for Market Suspension
  - Day-ahead
    - References 1.10.8(d)
  - Real-time
    - References 1.11.6

- Section 1.10.8(d) updated to include language on DA Market Suspension

  – References section 2.6.1

- Removed existing language on settlements of Day-ahead & FTR Target Allocations at Real-time quantities and prices in the event PJM cannot clear Day-ahead Prices

- Added language on notifying participants of a Market Suspension for Day-ahead and Real-time markets

- Added new section 1.11.6, Real-time Energy Market Suspension
  - Clarifies Real-time Market Suspension definition
    - Inability to produce Zonal Dispatch Rates for a total of seven or more 5-minute intervals within a clock hour
  - References section 2.5.2 for how Real-time Prices are determined

- Added new section 2.5.2, Declaration of Market Suspension
  - Outlines scenarios for determining Real-time Prices
    - If Market Suspension <= 6 consecutive hours:
      - Average of Real-time Prices for all intervals of adjacent hours
    - If Market Suspension > 6 but <= 24 consecutive hours:
      - If Day-ahead Prices are available
        » Day-ahead Prices used as Real-time Prices for each corresponding hour
      - If Day-ahead Prices are not available
        » Average of Real-time Prices for all intervals of adjacent hours
    - If Market Suspension > 24 consecutive hours:
      - Real-time Prices determined based on construction of aggregate supply curve

- Added new section 2.6.1, Declaration of Market Suspension
  - Outlines scenario for determining Day-ahead Prices
    - If PJM declares Market Suspension
      - Day-ahead Prices set to $0/MWh
      - Use Real-time quantities and prices per section 2.4 & 2.5

- Section 3.2.2, added new subsection (l) to include language on Market Suspension relating to Regulation

- Section 3.2.3 updated to include language on Operating Reserves

  – 3.2.3(f) clarifies that resources will not be compensated for lost opportunity costs for Market Suspensions greater than 24 hours

  – 3.2.3(p) clarifies allocation of charges to ratio share of real-time load plus exports

  – 3.2.3A(d) clarifies suspension scenarios for Synchronized Reserves

  – 3.2.3A.001(c) clarifies suspension scenarios for Non-Synchronized Reserves

- 3.2.3A.01(d) clarifies suspension scenarios for Secondary Reserves
- Language for Synchronized Reserves, Non-Synchronized Reserves, and Secondary Reserves includes Shell friendly amendment from section 2.5.2 that applied to short-term suspensions >6 but <= 24 consecutive hours
  - Alignment between Day-ahead and Real-time reserve products
    - If Day-ahead SR/NSR/SecR prices are available
      » Day-ahead reserve prices used as Real-time reserve prices for each corresponding hour
    - If Day-ahead SR/NSR/SecR prices are not available
      » Average of Real-time reserve prices for all intervals of adjacent hours

- Section 5.2.3 updated to include language on suspension scenarios impacting Target Allocation of Transmission Congestion Credits

- Section 5.2.7 updated to reflect allocation of Balancing Congestion Charges during a Market Suspension

- Section 5.6.1 updated to clarify that Transmission Constraint Penalty Factors will not be used to determine the Marginal Value of a transmission constraint for a Market Suspension greater than 24 consecutive hours

- Section 6.4.1, added new subsection (i) to include language on Market Suspension clarifying that only cost-based offers will be used for all resources for all market clearing and compensation for Market Suspensions greater than 24 hours.

- Section 7.3.8 updated to include language clarifying Market Suspension scenarios impacting FTRs

- Section 14B.1, added new subsection (d) to address billing timelines with respect to the different Market Suspension scenarios

- MIC
  - First Read: 6/8/2022 (solution package)
  - Endorsement: 7/13/2022 (solution package)
- MRC
  - First Read: 11/16/2022 (OA revisions)
  - Endorsement: 12/21/2022 (OA revisions)
- MC
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