

Joint Stakeholder Transition Package

Presenter: Betty Watson,
Modern Energy

PJM Capacity Capability Sr.
Task Force

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Negotiated Consensus Package

Sponsors:

- Avangrid
- Dayton Power & Light
- Enel North America
- GlidePath Power Solutions
- Invenergy
- Modern Energy
- Recurrent Energy
- Tangibl / Renewable Developer Clients

After Further Negotiations- Transition

Changes:

- Remove roll-over to another table of min values after first table expires.
- Implementation: “**This transition package will be evaluated in the 2026 quadrennial review**, in which PJM will evaluate its efficacy and appropriateness and make recommendations as to whether some or all components of this package should be reconsidered through a stakeholder process.”
- In the year that a Resource's Table of Minimum Class ELCC% Values expires, **the rules in place at that time will apply**. So if in 2038, the applicable market rules provide an ELCC% value that changes each year, with no floor, a Resource whose initial Table of Minimum Class ELCC% Values expires after 2037/38 **would be subject to those rules**.

Consensus Package Finds Balance Between:

- Accurate and stable market signals
- Stakeholder preferences
- Various business models of asset owners
- Existing and future resources



Table of Minimum Values

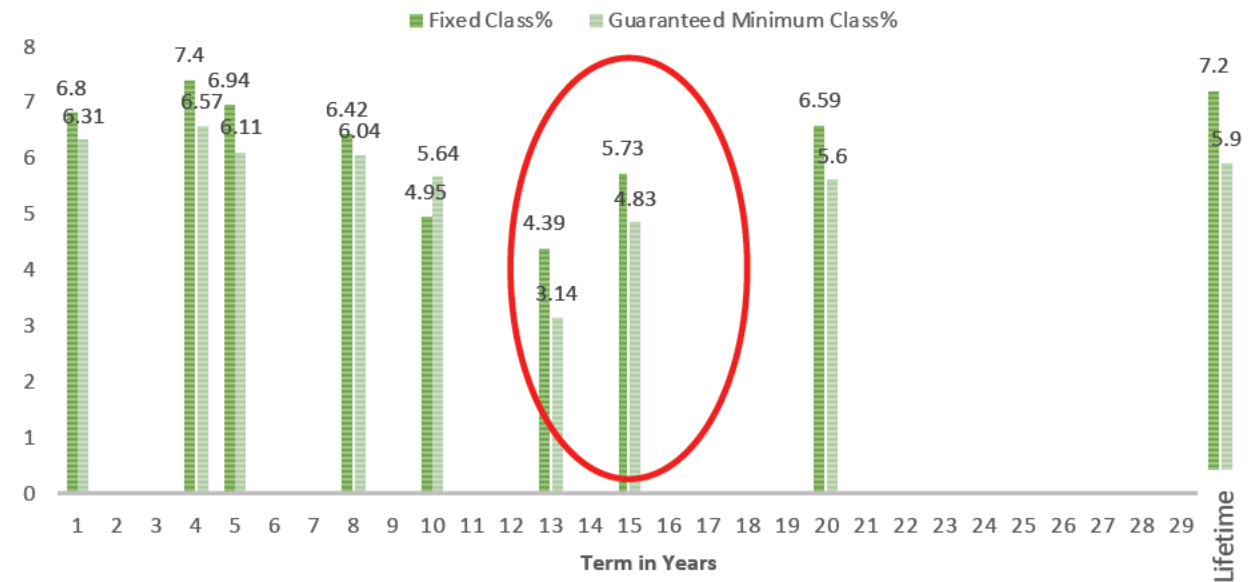
- Allows PJM to be confident in minimum values
- Minimum values unlikely to affect the value of future resources
- Provides investors with baseline visibility

2024 Cohort Example	
DY	Min. Class ELCC%
2024/25	60
2025/26	57
2026/27	54
2027/28	51
2029/30	48
2030/31	45
2031/32	42
2032/33	45
2033/34	48
2034/35	51

10 Delivery Years

- Equity between business models
 - Most projects financed on 20-year terms
 - Can be refinanced ahead of operation
 - 10 years of visibility unlocks numerous financing options
- Stakeholder Preferences
- Respects PJM forecasting ability

STAKEHOLDER PREFERENCES FROM POLL



Balancing Forecasting and Delivery Years

- **Must Balance:**

- PJM desire to forecast maximum of 10 years forward
- Investor need to have baseline visibility for 10 years of revenue (i.e., Delivery Years)



- **Updated Table of Minimum Values**

- Forecast only 10 years out
- Update Table of Minimum Value with one additional year
- For three additional years

Example 2024 Updated Table of Min. Values

	2024	2025	2026	2027	
DY	Class ELCC%	Class ELCC%	Class ELCC%	Class ELCC%	Project Status
2024/25	60	-	-	-	Signs ISA / Clears BRA
2025/26	57		-	-	Under Construction
2026/27	54			-	Under Construction
2027/28	51				Delivery Year
2029/30	48				Delivery Year
2030/31	45				Delivery Year
2031/32	42				Delivery Year
2032/33	45				Delivery Year
2033/34	48				Delivery Year
2034/35	51				Delivery Year
Update → 2035/36	-	53			Delivery Year
Update → 2036/37	-	-	55		Delivery Year
Update → 2037/38	-	-	-	57	Delivery Year

10
Delivery
Years

Updated Table of Minimum Values

Finds Balance Among Competing Interests:

- Market Signal accuracy and stability
- Stakeholder preferences
- Business models of asset developers and owners
- Project financing requirements in face of new type of risk category
- PJM comfort
- Equity between existing and future resources