



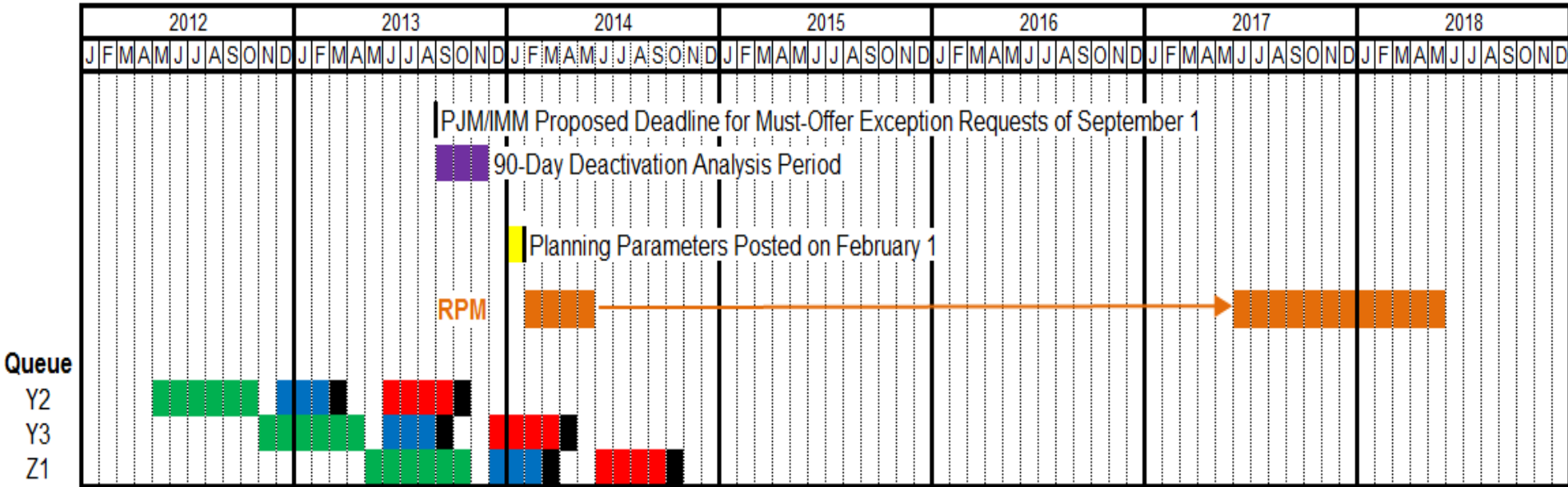
PJM/IMM Proposal for Revised Must Offer Exception Deadline

Capacity Senior Task Force (CSTF)
January 7, 2013

- Capacity Market Sellers are required to provide following information to IMM/PJM by no later than 120 days prior to auction commencement (or about mid-January prior to Auction):
 - Data submittal for purposes of calculating Offer Caps
 - Requests for exception to MOPR
 - Requests for exception to the RPM must-offer requirement
 - Requests for alternate maximum EFORd
- Deadlines ensure that Participant and IMM are afforded adequate time to seek FERC resolution in a timely manner in the case of disagreement with PJM's determination

- A mid-January deadline for must-offer exception request (if due to deactivation) does not provide adequate time for PJM to accurately reflect the reliability impact of the deactivation in the model for the upcoming BRA nor does it provide time for potential new generation capacity resources to offer into the auction
 - A deactivation request initiates a 90-day analysis period at the end of which required upgrades, if any, are known
 - With current mid-January exception request deadline, results of any deactivation analysis would not be known in time to include in the model used to develop the Auction Planning Parameters which are posted on February 1
 - In order to participate in BRA, Planned Generation must be in a queue, have a completed Feasibility Study and an executed Impact Study agreement at time of BRA therefore planned generation would have to be in at latest the queue that closes on October 31 of the calendar year prior to auction in order to participate in BRA

- PJM and IMM recommend that the deadline for must-offer exception requests be made no later than 5 months prior to the posting of the auction Planning Parameters (or no later than the September 1 prior to the auction)
- This proposed deadline will provide for:
 - Increased certainty and accuracy of the model used to develop auction planning parameters since all reliability analysis associated with deactivation requests will be completed and available for inclusion in the BRA planning parameter model
 - An open Interconnection Queue in which planned generation capacity wishing to participate in upcoming BRA may enter having increased knowledge of future supply situation (a September 1 deadline allows potential new entrants 60 days to enter queue and have a completed Feasibility Study and executed Impact Study Agreement in time to offer into BRA)



Interconnection Queue Timelines

- PJM Receives Queue Requests
- Feasibility Study Period
- 30 Day Review and Agreement Return by Customer
- System Impact Study Period

RPM Auction Timelines

- Planning Parameters Posted on February 1 for Auction conducted in May
- Planning Parameter Analysis Period



Must-Offer Requirement Exception (due to Deactivation) (as per Section 6.6(g)(A) of Att DD of OATT)

- For exception to must-offer requirement, the Seller must provide a notice of deactivation to PJM consistent with Section 113.1 of Tariff

Per Section 113

- Information regarding notice is posted (unit & desired deactivation date)
- Within 30 days of notice, PJM determines reliability impact, if any, and initial estimate when required upgrades are expected to be completed
- Within 90 days of notice, required upgrades and timing of upgrades are known and posted