

Capacity Senior Task Force  
Replacement Capacity Poll Results  
January 3, 2014

A response of "Yes" indicates the member/affiliate can support the changes made to RPM with that option. A response of "No" indicates the member/affiliate cannot support the changes made to RPM with that proposal. A response of "Maybe" indicates the member/affiliate may be able to support the changes made to RPM with that proposal.

**Design Component: Capacity Resource Deficiency Charge**

**Question #1**

**POLL: Could you support raising the Capacity Resource Deficiency Charge from the Status Quo, which is the greater of 1.2 x Resource Clearing Price or the Resource Clearing Price + \$20?**

	Count	Yes + Maybe
Yes	122	155
No	17	90.12%
Maybe	33	
<b>Total</b>	172	

**Question #2**

**Poll: Could you support raising the Capacity Resource Deficiency Charge from the Status Quo to the greater of 1.2 x Resource Clearing Price or the Resource Clearing Price + \$40?**

	Count	Yes + Maybe
Yes	42	87
No	85	50.58%
Maybe	45	
<b>Total</b>	172	

**Question #3**

**Poll: Could you support raising the Capacity Resource Deficiency Charge from the Status Quo to the greater of 1.5 x Resource Clearing Price or the Resource Clearing Price + \$50?**

	Count	Yes + Maybe
Yes	56	148
No	24	86.05%
Maybe	92	
<b>Total</b>	172	

#### Question #4

Poll: Could you support raising the Capacity Resource Deficiency Charge from the Status Quo to 2.0 x the Base Residual Auction Clearing Price?

	Count	Yes + Maybe
Yes	103	122
No	50	70.93%
Maybe	19	
<b>Total</b>	<b>172</b>	

#### Question #5

Poll: Could you support raising the Capacity Resource Deficiency Charge from the Status Quo to 2.0 x the Resource Clearing Price but adjusted downward to a maximum of the greater of 1.2 x Resource Clearing Price or the Resource Clearing Price + \$20 as development milestones are completed?

	Count	Yes + Maybe
Yes	56	139
No	33	80.81%
Maybe	83	
<b>Total</b>	<b>172</b>	

#### Design Component: PJM Sell Offer Price

#### Question #6

Poll: Do you believe the PJM Sell Offer Price should change from the Status Quo, which is an upward sloping offer curve with a starting price equal to the intersection of the updated VRR curve and current commitment level?

	Count	Yes + Maybe
Yes	93	148
No	24	86.05%
Maybe	55	
<b>Total</b>	<b>172</b>	

#### Question #7

Poll: Could you support the PJM Sell Offer Price being an upward sloping offer curve determined same as Status Quo but with the starting price being floored at the BRA Clearing Price?

	Count	Yes + Maybe
Yes	91	125
No	47	72.67%
Maybe	34	
<b>Total</b>	<b>172</b>	

### Question #8

Poll: Could you support the PJM Sell Offer Price being an upward sloping offer curve determined same as Status Quo but with the starting price being floored at 10% of the BRA Clearing Price?

	Count	Yes + Maybe
Yes	39	63
No	109	36.63%
Maybe	24	
Total	172	

### Design Component: Number of Incremental Auctions

#### Question #9

Poll: Could you support changing the number of Incremental Auctions in which participants could buy replacement capacity from three (3) to two (2)?

	Count	Yes + Maybe
Yes	94	143
No	29	83.14%
Maybe	49	
Total	172	

#### Question #10

Poll: Could you support changing the number of Incremental Auctions in which participants could buy replacement capacity from three (3) to one (1)?

	Count	Yes + Maybe
Yes	93	116
No	56	67.44%
Maybe	23	
Total	172	

#### Question #11

Poll: Could you support changing the number of Incremental Auctions in which PJM would submit sell offers to release capacity due to a decrease in the reliability requirement from three (3) to one (1)?

	Count	Yes + Maybe
Yes	118	125
No	47	72.67%
Maybe	7	
Total	172	

## Design Component: Incremental Auction Settlement Adjustment

### Question #12

Poll: The following questions refer to design component number 8, Incremental Auction Settlement Calculation. Could you support making a change to the way in which Incremental Auctions are settled (i.e. implementing a Settlement Adjustment for cleared buy bids)?

	Count	Yes + Maybe
Yes	92	128
No	43	74.85%
Maybe	36	
Total	171	

### Question #13

Poll: Could you support an IA Settlement Adjustment in which cleared buy bids and sell offers settle against the IA Clearing Price; but if the IA Clearing Price is less than the BRA Clearing Price, then cleared buy bids pay the difference and that difference is refunded to load (see Package 1)?

	Count	Yes + Maybe
Yes	75	112
No	59	65.50%
Maybe	37	
Total	171	

### Question #14

Poll: Could you support an IA Settlement Adjustment in which cleared buy bids and sell offers settle against the IA Clearing Price; but if the IA Clearing Price is less than the BRA Clearing Price, then cleared buy bids whose bid price was less than the BRA Clearing Price pay the difference, and that difference is refunded to load (see Package 2)?

	Count	Yes + Maybe
Yes	77	102
No	69	59.65%
Maybe	25	
Total	171	

### Question #15

Poll: Do you believe that implementing some kind of Settlement Adjustment, which inhibits the ability to profit from incremental auctions in some way, would be an effective means of reducing speculative BRA offer?

	Count	Yes + Maybe
Yes	114	114
No	57	66.67%
Maybe	0	
Total	171	

Respondents were asked to score the following components based on their belief that they should change from the status quo due to their effectiveness in eliminating or reducing the potential for speculative BRA offers.

Score, 1-6, with 6 being the most important component to change and 1 being the least important.

**Question #16: How would you weight the following components of a potential solution?**

Rank 1 = least important, Rank 6 = most important

	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6
<b>Capacity Resource Deficiency Charge</b>	30	12	32	31	35	27
<b>PJM Sell Offer Price</b>	17	4	34	47	64	1
<b>Incremental auction settlement calculation (e.g. a change to how cleared IA buy bids are settled)</b>	8	27	34	20	23	55
<b>The number of incremental auctions held for each delivery year in which participants could buy replacement capacity</b>	27	85	6	37	12	0
<b>The number of incremental auctions held for each delivery year in which PJM would submit sell offers to release capacity due to decrease in reliability requirement</b>	43	31	57	13	3	20
<b>Adding or strengthening milestones that track the development of resources committed in the BRA/IA toward physical delivery in the DY, or milestones that are used to decrease the Capacity Resource Deficiency Charge associated with a planned resource.</b>	42	9	5	18	30	63

	Total Points	Overall Rank
<b>Incremental auction settlement calculation (e.g. a change to how cleared IA buy bids are settled)</b>	689	1
<b>Adding or strengthening milestones that track the development of resources committed in the BRA/IA toward physical delivery in the DY, or milestones that are used to decrease the Capacity Resource Deficiency Charge associated with a planned resource.</b>	675	2
<b>PJM Sell Offer Price</b>	641	3
<b>Capacity Resource Deficiency Charge</b>	611	4
<b>The number of incremental auctions held for each delivery year in which PJM would submit sell offers to release capacity due to decrease in reliability requirement</b>	463	5
<b>The number of incremental auctions held for each delivery year in which participants could buy replacement capacity</b>	423	6