



# Capacity Performance Order – Brief Summary

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- Issued on May 10, 2016 – 155 FERC ¶ 61,157
- Denied all requests for rehearing except with respect to use of the term force majeure in the FTR/ARR section (but affirmed Catastrophic Force Majeure proposal)
- Accepted PJM's compliance filing except in a few instances:
  - exceptions to excuses from Non-Performance Charges
  - transition of CP rules to FRR Entities
  - support for CP Quantifiable Risk in Avoidable Cost Rate
  - operating parameters – actual constraints

- Rejected rehearing requests to allow netting over-performance with under-performance, affirming that PJM's construct is based on resource-specific performance (PP128 & 129)
- No undue discrimination between large and small portfolios as PJM assess Non-Performance Charges per resource; market seller to determine how best to meet risks (P128)

- With regard to the netting of over- and under-performance for FRR Entities that elect physical non-performance assessment, FERC found it was reasonable to allow such netting because such entities are ineligible for bonus payments and thus “netting is necessary to recognize any over-performance by resources.” (P130) FERC limited this to netting during the PAH and not on an annual basis (P153)
- In the context of affirming pseudo-tie requirement for external resources, FERC explained CP design assess resource performance on a resource-specific basis and thus requires visibility of energy provided on a resource specific basis (P44)