

Notification of Planning Parameter Updates for 2015/2016 RPM BRA

New air quality regulations recently issued by the U.S. Environmental Protection Agency such as the Mercury and Air Toxic Standards (MATS) issued in December 2011, as well as the State of New Jersey's denial of a request to extend the 2015 compliance deadline in early February for resources to reduce nitrogen oxide emissions under the High Electricity Demand Day (HEDD) rule, have the potential to affect generation resource availability for the 2015/16 delivery year, for which PJM is conducting a Base Residual Auction in May 2012. Given the relatively short decision timelines for formulating compliance plans, stakeholders have expressed concern over the unprecedented uncertainty in the status of generation resources for the upcoming auction. PJM provides this notice to address stakeholder questions about how these significant developments will be reflected in the planning parameters for that auction, in particular the capacity emergency transfer limits and capacity emergency transfer objectives.

PJM typically updates RPM's planning parameters during the first week of April each year to reflect updated information such as plans under the Fixed Resource Requirement alternative and other factors. PJM is also permitted by its tariff to take significant actions affecting RPM auction parameters (i.e., identifying additional Variable Resource Requirement Curves) as late as March 31 when such is required to achieve an acceptable level of reliability. Given the unprecedented uncertainty in generation status from these recent developments, PJM clarifies that the update of the planning parameters will be posted no later than April 6, 2012 and will reflect PJM's best assessment at that time of the impact of any changes in generation availability status for the upcoming auction and corresponding transmission upgrades related to the generation status change.